

2025

Audited Consolidated  
Financial Statements

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Columbus, OH 43240-2078

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[www.corporateone.coop](http://www.corporateone.coop)

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**For further information, please contact:**

Ryan Murphy

Executive Vice President and Chief Financial Officer

866-692-6771 ext. 9271

# A Letter to our Members



**Melissa A. Ashley**  
CEO/President  
Corporate One  
Federal Credit Union



**Robert D. Burrow**  
Chairman  
President/CEO  
Bayer Heritage Federal  
Credit Union

## Dear Members:

As we look back on the past year, we're excited to share our Annual Financial Report and celebrate the progress we've made together as a cooperative. Thanks to your trust and support, we navigated a constantly changing financial landscape and continued moving toward our strategic goals. Your success truly fuels our mission, and we're grateful for your partnership every step of the way.

The highlights that follow showcase how we stayed focused on what matters most—supporting you, our members, and helping you reach your financial goals.

## Earnings Generated and Returned to Members

For the year ended December 31, 2025, Corporate One generated \$51.0 million in net income. In alignment with our cooperative model, we were pleased to return \$13.6 million to members during the year. This included an \$11.8 million Perpetual Contributed Capital (PCC) dividend distribution to all PCC owners, as well as our third consecutive special fee rebate of \$1.8 million for members who use two or more of our payment solutions.

## Financial Strength and Market Position Sustained

Following the PCC dividend distribution, Corporate One added \$39.2 million to retained earnings, bringing total retained earnings to more than \$389 million as of year-end. As of December 31, 2025, we hold total regulatory capital of \$614.8 million; of that amount, \$389.5 million is retained earnings and \$232.6 million is PCC from our member PCC owners. This strong capital position enables us to continue delivering value, expanding service capabilities, and ensuring financial stability for our member credit unions.

In addition, by maintaining our emphasis on competitive deposit rates and consistent growth, Corporate One strengthened its position and achieved the largest market share of deposit growth within the network.

## Welcoming New Members to the Corporate One Family

In 2025, we were proud to welcome 37 new members into the Corporate One family, expanding the diverse community that makes our cooperative so strong. By taking time to understand each member's goals and challenges, we provided personalized support and solutions designed to empower their financial success and help create opportunities for long-term growth.

## Expanding Immediate Payments Connectivity

To ensure members have access to the same immediate payment solutions as the largest financial institutions, we worked hard to accelerate connections to the two immediate payments rails, the RTP® network and FedNow® Service. Overall, Corporate One completed 71 new connections to both payments rails in 2025, reinforcing our role as a leading partner for instant payments access across the credit union industry. We now have almost 150 total RTP and FedNow connections, representing more than 100 credit unions.

## Celebrating Milestones and Member Feedback

This year also marked the 10th anniversary of our Annual Membership Survey—a reminder of how vital your feedback is in shaping our direction. Since the survey began in 2014, our Net Promoter Score has risen from 53.1 to 84.1 in 2025. Your insights help us continually strengthen our role as your trusted corporate partner.

### **Delivering Education, Insights, and Industry Engagement**

Throughout 2025, we remained steadfast in our commitment to member growth, delivering a robust suite of educational opportunities designed to keep you at the forefront of the industry. We hosted 20+ high-impact webinars that offered deep dives into essential industry skills, including fraud mitigation and strategic loan pricing. We also had an exceptionally strong year of industry engagement, participating in 69 events through hosting, sponsoring, and attending advocacy meetings, chapter nights, roundtables, and conferences.

### **Strong Performance from Our CUSO Family**

Our wholly owned credit union service organizations, Accolade Advisory and Lucro Commercial Solutions, continued delivering comprehensive, competitive solutions in areas of critical importance to credit unions nationwide, contributing to another outstanding year.

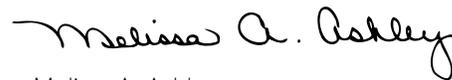
- Accolade Advisory elevated its Loan Profitability and Pricing solutions with major upgrades fueled by the recent acquisition of a powerful credit risk modeling platform. The team also welcomed a new analyst, adding fresh expertise to drive deeper insights and deliver even more strategic value to its credit union partners.
- Lucro Commercial Solutions continued to strengthen its network this year, adding six new credit union partners and further accelerating the growth of the Loan Split platform. The platform now includes 125 active credit unions buying and selling commercial loans. Lucro also advanced its suite of digital platforms with enhancements designed to significantly improve speed, functionality, and overall user experience.

### **Supporting Communities and Industry Initiatives**

As a proud member of an industry committed to service and community citizenship, we wholeheartedly support opportunities to step up and give back. In 2025, Corporate One contributed approximately \$316,000 in support of the credit union industry and related philanthropic initiatives at the national, state, and grassroots levels.

The accomplishments of this past year belong not only to Corporate One but to all of us. We are deeply grateful for our members' trust and partnership, and we remain dedicated to our core principle of "people helping people" along with our mission of elevating and empowering credit unions to drive your members' financial success.

Sincerely,



Melissa A. Ashley  
President/CEO



Robert D. Burrow  
Chairman  
President/CEO  
Bayer Heritage Federal Credit Union

# A Report from the Supervisory Committee

Corporate One's 2025 financial statements, prepared by management, were audited in accordance with auditing standards generally accepted in the United States of America by Crowe LLP, independent auditors. Crowe's report on Corporate One's financial statements is included in this report.

In addition to the annual audit, Corporate One employs internal audit staff who perform internal audits of select processes, controls and systems of Corporate One and report quarterly on such procedures to the Supervisory Committee.

Based on the annual audit and internal audit procedures, the Supervisory Committee is confident that Corporate One is subjected to a thorough and professional examination process.



**Dustin Cuttriss,**  
Chair  
Beacon CU



**Janice Hollar,**  
Board Liaison  
Achieva CU



**Jeremiah Kossen,**  
Publix Employees FCU



**John Demmler,**  
717 CU



**Dave Shuey,**  
Financial Partners FCU

# Management Report

## **Statement of Management's Responsibilities**

The management of Corporate One Federal Credit Union (Corporate One) is responsible for preparing Corporate One's annual financial statements in accordance with generally accepted accounting principles, for establishing and maintaining an adequate internal control structure and procedures for financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the NCUA-5310 Corporate Credit Union Call Report, and for complying with the Federal laws and, if applicable, State laws and regulations pertaining to affiliate transactions, legal lending limits, loans to insiders, restrictions on capital and share dividends, and regulatory reporting that meets full and fair disclosure.

## **Management's Assessment of Compliance with Safety and Soundness Laws and Regulations**

The management of Corporate One has assessed and concluded that Corporate One complied with the Federal and, if applicable, State laws and regulations pertaining to affiliate transactions, legal lending limits, loans to insiders, restrictions on capital and share dividends, and regulatory reporting that meets full and fair disclosure during the fiscal year that ended on December 31, 2025.

## **Management's Assessment of Internal Control over Financial Reporting**

Corporate One's internal control over financial reporting is a process affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes (i.e., NCUA-5310 Corporate Credit Union

Call Report). Corporate One's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Corporate One; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and for regulatory reporting purposes and that receipts and expenditures of Corporate One are being made only in accordance with authorizations of management and directors of Corporate One; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of Corporate One's assets that could have a material effect on the financial statements.

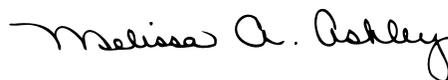
Because of its inherent limitations, internal control over financial reporting may not prevent or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate. Internal control over financial reporting has inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override.

Management assessed the effectiveness of Corporate One's internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance

with the instructions for the NCUA-5310 Corporate Credit Union Call Report, as of December 31, 2025, based on criteria established in the *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) relevant to reporting objectives for the express purpose of meeting the regulatory requirements of Section 704.15 of the National Credit Union Administration (NCUA).

Based upon its assessment, management has concluded that, as of December 31, 2025, Corporate One’s internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the NCUA-5310 Corporate Credit Union Call Report, is effective based on criteria established in the *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) relevant to reporting objectives for the express purpose of meeting the regulatory requirements of Section 704.15 of the National Credit Union Administration (NCUA).

Corporate One’s effectiveness of internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the NCUA 5310 – Corporate Credit Union Call Report, as of December 31, 2025, has been audited by Crowe LLP, an independent public accounting firm, as stated in their report dated March 25, 2026.



Melissa A. Ashley  
President, Chief Executive Officer



Ryan Murphy  
Executive Vice President, Chief Financial Officer

Columbus, Ohio  
March 25, 2026

# Independent Auditor's Report

Supervisory Committee and Board of Directors  
Corporate One Federal Credit Union  
Columbus, Ohio

## **Opinion on Internal Control Over Financial Reporting**

We have audited Corporate One Federal Credit Union's ("Corporate One") internal control over financial reporting as of December 31, 2025, based on criteria established in the *Internal Control—Integrated Framework* (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) relevant to reporting objectives for the express purpose of meeting the regulatory requirements of Section 704.15 of the National Credit Union Administration (NCUA). In our opinion, Corporate One maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025 based on criteria established in *Internal Control—Integrated Framework* (2013) issued by COSO relevant to reporting objectives for the express purpose of meeting the regulatory requirements of Section 704.15 of the NCUA.

We also have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS), the 2025 financial statements of Corporate One, and our report dated March 25, 2026, expressed an unmodified opinion.

## **Basis for Opinion**

We conducted our audit in accordance with GAAS. Our responsibilities under those standards are

further described in the Auditor's Responsibilities for the Audit of Internal Control Over Financial Reporting section of our report. We are required to be independent of Corporate One and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Responsibilities of Management for Internal Control Over Financial Reporting**

Management is responsible for designing, implementing, and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Management Report – Management's Assessment of Internal Control over Financial Reporting.

## **Auditor's Responsibilities for the Audit of Internal Control Over Financial Reporting**

Our objectives are to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects and to issue an auditor's report that includes our opinion on internal control over financial reporting. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of internal control over financial reporting conducted in accordance with GAAS will always detect a material weakness when it exists.

In performing an audit of internal control over financial reporting in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Obtain an understanding of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

#### **Definition and Inherent Limitations of Internal Control Over Financial Reporting**

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. Because management's assessment and our audit were conducted to meet the reporting requirements of Section 704.15 of the NCUA, our audit of Corporate One's internal control over financial reporting included controls over the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and with the instructions to the NCUA 5310 – Corporate One Credit Union Call Report. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Restriction on Use**

This report is intended solely for the information and use of management, the Supervisory Committee, Board of Directors, others within the organization, the National Credit Union Administration and is not intended to be and should not be used by anyone other than these specified parties.

*Crowe LLP*

Crowe LLP  
Columbus, Ohio  
March 25, 2026

# Independent Auditor's Report

Supervisory Committee and Board of Directors  
Corporate One Federal Credit Union  
Columbus, Ohio

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the consolidated financial statements of Corporate One Federal Credit Union ("Corporate One"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of income, comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Corporate One as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with auditing standards generally accepted in the United States of America, Corporate One's internal control over financial reporting as of December 31, 2025, based on criteria established in the *Internal Control—Integrated Framework* (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) relevant to reporting objectives for the express purpose of meeting the regulatory requirements of Section 704.15 of the National Credit Union Administration (NCUA) and our report dated March 25, 2026 expressed an unmodified opinion.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Corporate One and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Corporate One's ability to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement,

whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Corporate One's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Other Information Included in the Annual Report**

Management is responsible for the other information included in the annual report. The other information comprises the President's Letter but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Crowe LLP*

Crowe LLP  
Columbus, Ohio  
March 25, 2026

# Consolidated Balance Sheets

	December 31,	
	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,368,129,099	\$ 1,316,579,276
Other short-term investments	19,939,400	
Investments in financial institutions	56,192,600	53,577,700
Available-for-sale securities, at fair value (amortized cost \$5,955,494,458 and \$5,338,986,442)	5,952,684,060	5,334,999,925
Loans	57,355,612	187,837,548
Accrued interest receivable	42,399,844	46,523,848
Goodwill	3,395,730	3,395,730
Other assets	118,689,869	102,738,884
<b>TOTAL ASSETS</b>	<b>\$ 7,618,786,214</b>	<b>\$ 7,045,652,911</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Liabilities:</b>		
Settlement and regular shares	\$ 6,394,011,550	\$ 5,624,419,820
Share certificates	567,796,074	295,674,210
Borrowed funds		500,000,000
Dividends and interest payable	11,514,724	10,141,040
Accounts payable and other liabilities	23,961,962	36,681,880
<b>TOTAL LIABILITIES</b>	<b>6,997,284,310</b>	<b>6,466,916,950</b>
<b>Members' equity:</b>		
Perpetual contributed capital (PCC)	232,616,474	228,792,520
Retained earnings	389,454,301	350,193,736
Accumulated other comprehensive loss	(568,871)	(250,295)
<b>TOTAL MEMBERS' EQUITY</b>	<b>621,501,904</b>	<b>578,735,961</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 7,618,786,214</b>	<b>\$ 7,045,652,911</b>

See accompanying notes to consolidated financial statements.

# Consolidated Statements of Income

	Year ended December 31,	
	2025	2024
<b>Interest income:</b>		
Investments and securities	\$ 369,740,242	\$ 378,749,398
Loans	6,570,566	8,976,562
<b>TOTAL INTEREST INCOME</b>	<b>376,310,808</b>	<b>387,725,960</b>
<b>Dividend and interest expense:</b>		
Share accounts	270,858,394	278,018,841
Other	23,809,494	32,914,697
<b>TOTAL DIVIDEND AND INTEREST EXPENSE</b>	<b>294,667,888</b>	<b>310,933,538</b>
<b>NET INTEREST INCOME</b>	<b>81,642,920</b>	<b>76,792,422</b>
<b>NON-INTEREST INCOME</b>	<b>17,121,100</b>	<b>15,511,311</b>
<b>NET GAIN (LOSS) ON SALE OF SECURITIES</b>	<b>335,635</b>	<b>(139,173)</b>
<b>NET LOSS ON SALE OF EDOC SHARES</b>	<b>(110,956)</b>	
<b>Operating expenses:</b>		
Salaries and employee benefits	35,014,771	31,747,002
Office operations and occupancy expense	9,386,546	9,251,905
Other operating expenses	3,537,468	3,493,587
<b>TOTAL OPERATING EXPENSES</b>	<b>47,938,785</b>	<b>44,492,494</b>
<b>NET INCOME</b>	<b>\$ 51,049,914</b>	<b>\$ 47,672,066</b>

See accompanying notes to consolidated financial statements.

# Consolidated Statements of Comprehensive Income

	Year ended December 31,	
	2025	2024
<b>Net Income</b>	<b>\$ 51,049,914</b>	<b>\$ 47,672,066</b>
Other comprehensive (loss) income:		
Change in net unrealized loss on available-for-sale securities	1,511,753	30,265,793
Change in net unrealized gain on cashflow hedges	(316,421)	1,240,687
Reclassification adjustment recognized in earnings for net interest on daily market accounts	(1,178,273)	(1,493,297)
Reclassification adjustment recognized in earnings for net (gain) loss from sales of securities	(335,635)	139,173
<b>Total other comprehensive (loss) income</b>	<b>(318,576)</b>	<b>30,152,356</b>
<b>COMPREHENSIVE INCOME</b>	<b>\$ 50,731,338</b>	<b>\$ 77,824,422</b>

See accompanying notes to consolidated financial statements.

# Consolidated Statements of Changes in Members' Equity

	Perpetual Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Members' Equity
<b>BALANCE AT JANUARY 1, 2024</b>	<b>\$ 226,992,520</b>	<b>\$ 316,299,546</b>	<b>\$ (30,402,651)</b>	<b>\$ 512,889,415</b>
Net income		47,672,066		47,672,066
Other comprehensive income			30,152,356	30,152,356
Issuance of PCC	1,800,000			1,800,000
Dividends on PCC		(13,777,876)		(13,777,876)
<b>BALANCE AT DECEMBER 31, 2024</b>	<b>228,792,520</b>	<b>350,193,736</b>	<b>(250,295)</b>	<b>578,735,961</b>
Net income		51,049,914		51,049,914
Other comprehensive loss			(318,576)	(318,576)
Issuance of PCC	3,823,954			3,823,954
Dividends on PCC		(11,789,349)		(11,789,349)
<b>BALANCE AT DECEMBER 31, 2025</b>	<b>\$ 232,616,474</b>	<b>\$ 389,454,301</b>	<b>\$ (568,871)</b>	<b>\$ 621,501,904</b>

See accompanying notes to consolidated financial statements.

# Consolidated Statements of Cash Flows

	Year ended December 31,	
	2025	2024
<b>Cash flows from operating activities:</b>		
Net income	\$ 51,049,914	\$ 47,672,066
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,603,011	1,770,628
Net amortization (accretion) of securities	343,608	(3,218,833)
Net (gain) loss on sales of securities	(335,635)	139,173
Net loss on sale of eDoc shares	110,956	
Net change in accrued interest receivable	4,124,004	(20,114,914)
Net change in dividends and interest payable	1,373,684	7,043,409
Change in fair value of assets held for sale		495,000
Other, net	(32,471,330)	(3,722,206)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>25,798,212</b>	<b>30,064,323</b>
<b>Cash flows from investing activities:</b>		
Net change in investments in financial institutions	(1,092,000)	12,648,000
Available-for-sale securities:		
Sales	145,179,966	48,028,557
Maturities and principal pay downs	1,380,595,114	1,165,153,422
Purchases	(2,140,312,800)	(3,573,536,049)
Change in other short-term investments	(19,939,400)	
Purchases of FHLB Stock	(1,522,900)	
Proceeds from the redemption of FHLB Stock		540,100
Proceeds from assets held for sale	3,031,795	
Dividends received from investments in CUSOs	259,698	267,461
Net change in loans	130,481,936	(9,468,940)
Net change in NCUSIF share insurance deposit	(68,223)	(8,112)
Net purchase of property and equipment	(3,115,080)	(1,682,384)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(506,501,894)</b>	<b>(2,358,057,945)</b>
<b>Cash flows from financing activities:</b>		
Net change in borrowed funds	(500,000,000)	217,000,000
Net change in shares and deposits	1,040,218,900	1,610,077,390
Issuance of perpetual contributed capital	3,823,954	1,800,000
Dividends on perpetual contributed capital	(11,789,349)	(13,777,876)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>532,253,505</b>	<b>1,815,099,514</b>
Net increase (decrease) in cash and cash equivalents	51,549,823	(512,894,108)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,316,579,276</b>	<b>1,829,473,384</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 1,368,129,099</b>	<b>\$ 1,316,579,276</b>
<b>Supplemental disclosure:</b>		
Dividends and interest paid	\$ 305,083,553	\$ 317,668,005

See accompanying notes to consolidated financial statements.

# Notes to Consolidated Financial Statements

## **(1) ORGANIZATION**

The purpose of Corporate One Federal Credit Union (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 three credit union service organizations (CUSOs): Lucro Commercial Solutions, LLC (Lucro), Accolade Investment Advisory, LLC (Accolade), and Sherpa Technologies, LLC (Sherpa), which is an inactive CUSO. Lucro's purpose is to provide business lending solutions to its credit union customers. The primary source of income for Lucro is provided through fees earned for the underwriting, servicing and documenting of business loans. Lucro services loans for other credit unions which are not included in the accompanying consolidated balance sheets. The unpaid principal balances of loans serviced by Lucro approximated \$615.9 million and \$486.7 million at December 31, 2025, and 2024, respectively. Accolade provides investment advisory services, strategic asset/liability management, and loan analytic tools to credit unions. Accolade also provides consulting to meet current expected credit losses (CECL) requirements and for optimization of loan pricing and profitability. The consolidated financial statements include the accounts of Corporate One and the three CUSOs. All significant intercompany accounts and transactions have been eliminated.

## **(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a description of the more significant accounting policies Corporate One follows in preparing and presenting our consolidated financial statements.

### **(a) Use of Estimates**

The accounting and reporting policies of Corporate One conform with generally accepted accounting principles (GAAP) in the United States of America and prevailing practices within the financial services industry. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Specifically, management has made assumptions in the amortization/accretion of premiums/discounts on investments subject to prepayment. It is reasonably possible that our estimates could change based on the change in the prepayments currently expected on investments subject to prepayment. Actual results could differ from those estimates.

### **(b) Cash and Cash Equivalents**

Cash and cash equivalents include cash, amounts due from depository institutions and federal funds sold. Interest income earned on these accounts is included under investments and securities interest income on the accompanying consolidated statements of income. At December 31, 2025, and 2024, the interest income earned from the balances held at the Federal Reserve Bank was \$68.1 million and \$104.4 million, respectively. Net cash flows are reported on the accompanying consolidated statements of cash flows for loans, shares and certain other items.

### **(c) Federal Reserve Bank (FRB) – Excess Balance Account (EBA) Program**

Corporate One, as agent, facilitated an EBA agreement with participating member credit unions and the FRB, resulting in the FRB opening EBA accounts for the benefit of the participants at the agent's request. As such, the balances in the EBA accounts are not reflected in Corporate One's consolidated balance sheet. These balances totaled \$12.5 million and \$8.6 million, respectively, as of December 31, 2025, and 2024. Neither the participating

# Notes to Consolidated Financial Statements

member credit unions nor the agent may use the EBA for general payments or other activities. The aggregate balance in the EBA represents a deposit liability of the FRB solely to the participants. Corporate One, as agent, is solely responsible for calculating and distributing the interest payable to each participant on the participant's excess balance and for damages owed to participants for any inaccuracy in calculating the participant's excess balance and interest.

## **(d) 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, and government agency fixed notes, all of which pay a fixed rate of interest. As of December 31, 2025, all other short-term investments held mature by January 28, 2026. There were no other short-term investments as of December 31, 2024.

## **(e) Investments in Financial Institutions**

Investments in financial institutions are carried at cost and reviewed for impairment. These investments consist of interest-bearing term deposits at federally insured depository institutions and the Federal Home Loan Bank (FHLB) of Cincinnati stock. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on the ultimate recovery of par value. Both cash and stock dividends are reported as income.

## **(f) Securities**

Debt securities are classified as held-to-maturity and carried on the balance sheet at amortized cost when management has the positive intent and ability to hold them to maturity. Debt securities not classified as held to maturity or trading are classified as available for sale. 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, for portfolio management purposes, or other factors.

A debt security is placed on nonaccrual status if credit losses are determined as a result of a triggering event or during our semi-annual credit loss review. Interest accrued but not received for a security placed on nonaccrual is reversed against interest income.

Amortization of premiums and accretion of discounts are recorded as adjustments to interest income from securities using the interest method. Realized gains and losses on the sales of available-for-sale securities are credited or charged to earnings when realized based on the specific identification method.

## **(g) Allowance for Credit Losses – Available-For-Sale Securities**

Management evaluates 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

# Notes to Consolidated Financial Statements

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.

Changes in the allowance for credit losses are recorded as credit loss expense (or reversal). Losses are charged against the allowance when management believes the uncollectibility of an available-for-sale security is confirmed or when either of the criteria regarding intent or requirement to sell is met.

Accrued interest income on available-for-sale securities totaled \$26.2 million and \$28.2 million, respectively, at December 31, 2025, and 2024, and is considered in our overall estimate of credit losses.

## **(h) Derivatives**

Corporate One has agreements in place with several approved counterparties for the purpose of effecting derivative transactions. A derivative contract is a financial instrument whose value depends on, or is derived from, the value of an underlying asset, reference rate, or index.

Corporate One uses derivative instruments to mitigate interest rate risk by reducing the net economic value (NEV) volatility. At the inception of a derivative contract, Corporate One designates the derivative as either a cash flow hedge or a fair value hedge. For a cash flow hedge, the designated hedge is recorded on the balance sheet at fair value with the gain or loss on the derivative recorded in other comprehensive income and is reclassified into earnings in the same periods during which the hedged transaction affects earnings. The unrealized gain or loss is reflected under other assets or accounts payable and other liabilities and accumulated other comprehensive income (loss). For a fair value hedge, the designated hedge is recorded on the balance sheet at fair value and the gain or loss on the derivative, as well as the offsetting gain or loss on the hedged item attributable to the hedged risk, is recognized in current earnings as a fair value change. Related gross interest income or expense is reflected in the consolidated statements of income under total interest income or total dividend and interest expense.

Corporate One shall discontinue hedge accounting prospectively for an existing hedge if the derivative expires or is sold, terminated, or exercised; if the designation of the cash flow or fair value hedges are removed; if the hedged item is no longer probable; or if the hedging relationship fails to be highly effective. When hedge accounting is discontinued, subsequent changes in fair value of the derivative are recorded as non-interest income. When a fair value hedge is discontinued, the hedged asset or liability is no longer adjusted for changes in fair value, and the existing basis adjustment is amortized or accreted over the remaining life of the asset or liability. When a cash flow hedge is discontinued but the hedged cash flows or forecasted transactions are still expected to occur, gains or losses that were accumulated in other comprehensive income are amortized into earnings over the same periods in which the hedged transactions will affect earnings.

At December 31, 2025, 21 interest rate swaps with notional amounts totaling \$489.7 million were designated as fair value hedges of certain fixed-rate assets and one interest rate swap with a notional amount totaling \$25.0 million was designated as a fair value hedge of certain fixed-rate term loans, and all were determined to be effective during all periods presented. At December 31, 2025, and December 31, 2024, one interest rate swap with a notional amount totaling \$31.5 million was designated as a cash flow hedge of certain daily overnight market share accounts and was determined to be highly effective during all periods presented. In addition, at December 31, 2024, 20 interest rate swaps with notional amounts totaling \$458.7 million were designated as fair value hedges of certain fixed-rate assets, and five interest rate swaps with notional amounts totaling \$140.0 million were designated as fair value hedges of certain fixed-rate term loans, and all were determined to be effective during all periods presented.

# Notes to Consolidated Financial Statements

## **(i) Loans**

Member loans are divided into four classes: settlement, demand, term, and warehouse loans. Loans are stated at the current principal amount outstanding. Interest income is accrued on the daily balance outstanding at the borrowing rate. Corporate One evaluates each member's creditworthiness on a case-by-case basis.

## **(j) Allowance for Credit Losses - Loans**

The allowance for credit losses is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged off against the allowance when management believes the uncollectibility of a loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in the current economic landscape, including factors such as inflation, interest rates, the housing sector, job data, and manufacturing sector data.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. Loans are grouped into one of the following pools: settlement loans, demand loans, term loans, or warehouse loans. Risk characteristics evaluated for each pool of loans include assigned internal credit grade, line of credit amount compared to outstanding loan balance, specific collateral amounts (if applicable), internal watchlist designation, and other criteria. Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are also not included in the collective evaluation.

## **(k) Property and Equipment**

Property and equipment, included in other assets on the consolidated balance sheets, are stated at cost net of accumulated depreciation. Amounts in property and equipment may include items classified as held for sale, which are carried at lower of cost or fair value, less costs to sell. Depreciation is computed using the straight-line method and is based on the estimated useful lives of the assets. Maintenance and repairs are expensed as incurred.

## **(l) Leases**

Leases are classified as operating or finance leases at the lease commencement date. Corporate One leases certain office space and equipment. Corporate One records leases on the balance sheet in the form of a lease liability recorded at the present value of future minimum payments under the lease terms and a right-of-use asset equal to the lease liability adjusted for items such as deferred or prepaid rent, lease incentives, and any impairment of the right-of-use asset. The discount rate used in determining the lease liability is based upon the incremental borrowing rate that could be obtained for a similar loan as of the date of commencement or renewal. Corporate One does not record leases on the consolidated balance sheets that are classified as short-term (less than one year). The right-of-use asset is recorded under other assets and the lease liability is recorded under accounts payable and other liabilities in the consolidated balance sheets.

Operating lease expense consists of a single lease cost allocated over the remaining lease term on a straight-line basis, variable lease payments not included in the lease liability, and any impairment of the right-of-use asset. Rent expense and variable lease expense are included in office operations and occupancy expense in the consolidated statements of income. Variable lease expenses include rent escalators that are based on market conditions and include items such as common area maintenance, utilities, parking, property taxes, insurance, and other costs associated with the lease.

# Notes to Consolidated Financial Statements

## **(m) Internal Use Software**

Corporate One capitalizes certain costs for software that is internally developed for use in the business. Development costs generally include salaries and benefits of employees or consultants involved in the development, coding, and testing of software intended for internal use. Costs are capitalized when the development stage begins until the software is substantially complete and ready for its intended use. In 2025, capitalized costs related to internally developed software were \$504,800 and \$229,000 in 2024. Amortization begins when the software is available for use and uses the straight-line method over the estimated useful life of the software.

## **(n) Goodwill**

Goodwill resulting from business combinations is generally determined as the excess of the fair value of the consideration transferred, plus the fair value of any noncontrolling interests in the acquiree over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. Goodwill acquired in a purchase business combination and determined to have an indefinite useful life is not amortized but tested for impairment at least annually or more frequently if events and circumstances exist that indicate that an impairment test should be performed. Corporate One has selected December 31 as the date to perform the annual impairment test.

## **(o) Income Taxes**

Corporate One is exempt from federal and state income tax pursuant to Section 501(c)(1) of the Internal Revenue Code and Section 122 of the Federal Credit Union Act, respectively.

## **(p) Financial Instruments and Concentrations of Credit Risk**

Financial instruments that potentially subject Corporate One to concentrations of credit risk consist of federal funds sold, securities purchased under agreements to resell (repurchase), and investment securities. Corporate One invests in and borrows from highly rated domestic banks and uses nationally recognized brokers/dealers in the execution of trades for financial instruments. Exposure to individual counterparties or asset classes may be significant. Corporate One's exposure to investment securities is discussed in Note 6. Additionally, in providing financial services solely to the credit union industry, Corporate One is dependent upon the viability of that industry and the industry's support of corporate credit unions.

Corporate One mitigates risks related to these concentrations through evaluation of credit quality of the assets it purchases and the creditworthiness of its business partners. Counterparty risk is managed by ensuring that market counterparties are institutions of high credit quality and appropriate levels of collateral are maintained, if necessary.

## **(q) Members' Capital Share Accounts**

Credit unions transacting business with Corporate One are required to be a Partner member or an Associate member. Partner members enjoy Corporate One's higher rates on their investments and lower fees on services. Associate members may earn lower rates than Partner members on their investments with Corporate One and pay fees on services with Corporate One according to the Associate member fee schedules. Additionally, certain products and services, such as committed lines of credit and fee-free advised lines of credit, are available to Partner members only.

Perpetual Contributed Capital (PCC) is required for Partner membership in Corporate One. PCC is defined in Part 704.2 as accounts or other interests of a corporate credit union that: are perpetual, non-cumulative dividend accounts; are available to cover losses that exceed retained earnings and Paid-In Capital (PIC), of which is no longer offered. In addition, PCC is not insured by the National Credit Union Share Insurance Fund (NCUSIF) or other share or deposit insurers; and cannot be pledged against borrowings. PCC is classified as equity in the financial statements.

# Notes to Consolidated Financial Statements

## (r) Retained Earnings

Retained earnings represent earnings not distributed as dividends to members.

## (s) Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains and losses on available-for-sale securities and unrealized gains and losses on cash flow hedges.

## (t) Non-interest income

Non-interest income is earned on various services provided to credit unions and their affiliates. These services include payment and depository services and certificate of deposit and securities brokering. In addition to these services provided by the corporate, our wholly owned CUSOs provide business lending solutions, investment advisory services, strategic asset/liability management, and loan analytics tools, along with consulting for optimizing loan pricing and profitability and managing CECL requirements. Revenue is recognized when the performance obligations related to the transfer of goods or services under the terms of the contract are satisfied. During 2025 and 2024, we provided members with a special fee rebate to express our gratitude. In 2025 and 2024, this resulted in a reduction to non-interest income of approximately \$1.8 million, both recognized as a component of non-interest income in the accompanying consolidated statements of income.

## (u) Loss Contingencies

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable, and an amount or range of loss can be reasonably estimated. Management does not believe there currently are such matters that will have a material effect on the financial statements.

## (v) Subsequent Events

Management has performed an analysis of activities and transactions subsequent to December 31, 2025, to determine the need for any adjustments to and/or disclosures within the financial statements for the year ended December 31, 2025. Management has performed such analysis through March 25, 2026, the date the financial statements are available to be issued.

## (3) LOANS

Loans to members at December 31 are summarized as follows:

	2025	2024
Member loans:		
Term	\$ 35,459	\$ 173,376
Warehouse	15,282	5,974
Demand	5,953	6,792
Settlement	662	1,696
<b>TOTAL LOANS</b>	<b>\$ 57,356</b>	<b>\$ 187,838</b>

An allowance for credit loss was not considered necessary at December 31, 2025, and 2024, for member loans based on Corporate One's historical loss experience, current conditions and reasonable and supportable forecasts. All member loans are collectively evaluated, and at December 31, 2025, and 2024, there were no loans with past due balances or loans in nonaccrual status.

# Notes to Consolidated Financial Statements

## (4) LEASES

Corporate One enters leases in the normal course of business primarily for office space and office equipment. Corporate One's leases are operating leases and have remaining terms of two to four years, some of which include renewal or options to extend the lease for up to five years. During 2025, one of Corporate One's wholly owned CUSOs amended one of their existing leases for additional office space.

Corporate One's operating lease information at December 31 is as follows:

	Balance Sheet Classification	2025	2024
Right-of-use asset	Other assets	\$ 696	\$ 717
Lease liability	Accounts payable and other liabilities	\$ 737	\$ 755
Weighted average remaining lease term		3.5 years	4.1 years
Weighted average discount rate		4.03%	3.98%

Total lease expenses for operating leases were \$223,100 and \$188,600 for the years ended December 31, 2025, and 2024, respectively.

Future undiscounted lease payments for operating leases with initial terms of one year or more as of December 31, 2025, are as follows:

Operating Leases	
2026	\$ 250
2027	247
2028	122
2029 and thereafter	173
Total undiscounted lease payments	792
Less: imputed interest	(55)
<b>NET LEASE LIABILITIES</b>	<b>\$ 737</b>

# Notes to Consolidated Financial Statements

## (5) INVESTMENTS IN FINANCIAL INSTITUTIONS

Investments in financial institutions at December 31 are summarized as follows:

	2025	2024
Federal Home Loan Bank stock	\$ 50,637	\$ 49,114
Certificates of deposit	5,556	4,464
<b>TOTAL INVESTMENTS IN FINANCIAL INSTITUTIONS</b>	<b>\$ 56,193</b>	<b>\$ 53,578</b>

As a member of the FHLB of Cincinnati, Corporate One is required to own a certain amount of stock based on its level of borrowings and other factors. Corporate One views its investment in the FHLB as a long-term investment. Accordingly, when evaluating for impairment, the value is determined based on the ultimate recovery of the par value. Based on our review of the financial condition of the FHLB of Cincinnati, Corporate One does not believe that its investment in the FHLB was impaired as of or for the years ended December 31, 2025, and 2024.

As of December 31, 2025, and 2024, certificates of deposit are all with domestic credit unions or banks. The certificates through the domestic banks and credit unions are all within the insurance limits as set forth by the Federal Deposit Insurance Corporation (FDIC) and NCUSIF.

Certificates of deposit by maturity at December 31, 2025, are summarized as follows:

Year of Maturity	Balance
2026	\$ 3,324
2027	1,240
2028	992
<b>TOTAL CERTIFICATES OF DEPOSIT</b>	<b>\$ 5,556</b>

# Notes to Consolidated Financial Statements

## (6) SECURITIES

The amortized costs and fair values of securities at December 31 are summarized as follows. No allowance for credit loss was recorded at December 31, 2025, and 2024.

2025				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>Available-for-sale securities:</b>				
Mortgage-related securities - agency	\$ 1,963,613	\$ 3,040	\$ (2,798)	\$ 1,963,855
Asset-backed securities	1,824,374	7,480	(7,973)	1,823,881
Small business administration (SBA) securities	1,716,242	972	(4,240)	1,712,974
Corporate debt securities	256,213	651	(239)	256,625
Government-sponsored enterprise securities	195,052	325	(28)	195,349
<b>TOTAL AVAILABLE-FOR-SALE SECURITIES</b>	<b>\$ 5,955,494</b>	<b>\$ 12,468</b>	<b>\$ (15,278)</b>	<b>\$ 5,952,684</b>
2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>Available-for-sale securities:</b>				
Mortgage-related securities-agency	\$ 1,614,560	\$ 1,684	\$ (6,659)	\$ 1,609,585
Asset-backed securities	1,618,713	5,572	(12,230)	1,612,055
Small business administration (SBA) securities	1,550,394	8,765	(1,083)	1,558,076
Corporate debt securities	290,249	479	(820)	289,908
Government-sponsored enterprise securities	255,079	357		255,436
Treasury notes	9,992		(52)	9,940
<b>TOTAL AVAILABLE-FOR-SALE SECURITIES</b>	<b>\$ 5,338,987</b>	<b>\$ 16,857</b>	<b>\$ (20,844)</b>	<b>\$ 5,335,000</b>

Asset-backed securities consist primarily of securitized automobile, funding agreement backed notes, student loan, and credit card receivables. SBA securities consist primarily of securitized loans to small businesses used for the purchase of land, buildings, equipment or new construction. Mortgage-related securities-agency consisted of mortgage-backed securities issued by Fannie Mae or Freddie Mac. Corporate debt securities are debt obligations issued by corporations to fund capital improvements, expansions, debt refinancing, or acquisitions. Government-sponsored enterprise securities are debt obligations issued by independent organizations sponsored by the federal government and established with a public purpose. Treasury notes are U.S. government debt securities with a fixed interest rate.

Proceeds from the sales of available-for-sale securities were \$145.2 million in 2025. Gross gains of \$335,635 were recorded on security sales during 2025. Proceeds from the sales of available-for-sale securities were \$48.0 million in 2024. Gross losses of \$139,173 were recorded on securities during 2024.

# Notes to Consolidated Financial Statements

The expected maturity distributions of securities at December 31, 2025, are reflected in the following table. Because the actual lives of certain mortgage-related securities-agency, certain asset-backed securities, SBA securities, and investments in government-sponsored enterprise securities can differ from contractual maturities due to call or prepayment features, these items are presented separately with their related expected weighted average lives (WAL).

Available-for-Sale			
	Amortized Cost	Fair Value	WAL (in years)
<b>Securities with contractual maturities:</b>			
Due in one year or less	\$ 416,813	\$ 416,662	
Due after one year through five years	1,374,969	1,378,673	
Due after five years through ten years	14,981	15,385	
<b>Securities with prepayment features:</b>			
Mortgage related securities - agency	1,963,613	1,963,855	3.73
SBA securities	1,716,242	1,712,974	3.87
Asset-backed securities	468,876	465,135	3.17
<b>TOTAL</b>	<b>\$ 5,955,494</b>	<b>\$ 5,952,684</b>	

Certain securities are pledged as collateral to secure certain lines of credit with financial institutions. See Note 10 for further details.

At December 31, 2025, approximately 81.3 percent of the par value amount, or \$4.84 billion, of Corporate One's securities, with a fair market value of \$4.83 billion, were variable-rate securities, the majority of which had interest rates that reset daily, monthly or quarterly, based upon either Fed Funds Daily, SOFR or Prime. Of these \$4.84 billion variable-rate securities, 29.7 percent of the par value amount, or \$1.44 billion of such securities, with a fair market value of \$1.44 billion, had interest rate caps that were fixed at the time of issuance, and the caps range from 5.4 percent to 10.5 percent.

# Notes to Consolidated Financial Statements

Gross unrealized losses on investment securities that have been in loss positions less than 12 months and longer than 12 months for which an allowance for credit losses has not been recorded at December 31 are summarized as follows:

2025						
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<b>Available-for-sale:</b>						
Asset-backed securities	\$ 29,580	\$ (48)	\$ 398,267	\$ (7,925)	\$ 427,847	\$ (7,973)
Mortgage-related securities-agency	306,448	(518)	270,354	(2,280)	576,802	(2,798)
Small Business Administration	1,303,016	(3,688)	63,006	(552)	1,366,022	(4,240)
Corporate debt securities	29,982	(18)	33,813	(221)	63,795	(239)
Government-sponsored enterprises	49,978	(28)			49,978	(28)
<b>TOTAL AVAILABLE-FOR-SALE SECURITIES</b>	<b>\$ 1,719,004</b>	<b>\$ (4,300)</b>	<b>\$ 765,440</b>	<b>\$ (10,978)</b>	<b>\$ 2,484,444</b>	<b>\$ (15,278)</b>

2024						
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<b>Available-for-sale:</b>						
Asset-backed securities	\$ 86,386	\$ (523)	\$ 563,468	\$ (11,707)	\$ 649,854	\$ (12,230)
Mortgage-related securities-agency	603,197	(2,838)	303,927	(3,821)	907,124	(6,659)
Small Business Administration	276,056	(1,083)	47		276,103	(1,083)
Corporate debt securities	19,982	(18)	83,464	(802)	103,446	(820)
Treasury notes			9,940	(52)	9,940	(52)
<b>TOTAL AVAILABLE-FOR-SALE SECURITIES</b>	<b>\$ 985,621</b>	<b>\$ (4,462)</b>	<b>\$ 960,846</b>	<b>\$ (16,382)</b>	<b>\$ 1,946,467</b>	<b>\$ (20,844)</b>

As of December 31, 2025, the securities we hold issued by the U.S. government and its agencies (government-sponsored enterprise securities, treasury notes, mortgage-related securities-agency, and small business administration) did not require a valuation allowance because of the implicit guarantee of the principal balances of these securities by the U.S. government. The corporate bonds and asset-backed securities we hold also did not require a valuation allowance based on management's review. Management does not intend to sell, and it is likely that management will not be required to sell the securities prior to their anticipated recovery, and their decline in fair value is largely due to restricted liquidity and other market conditions. Due to these factors, the bonds did not need to have their losses recognized into income.

# Notes to Consolidated Financial Statements

Gross unrealized losses on asset-backed securities represent 52.2 percent of our gross unrealized losses at December 31, 2025. The amortized costs, fair values, credit grades and WAL of asset-backed securities at December 31, 2025, are summarized as follows:

	Amortized Cost	Fair Value	Gross Unrealized Gain	Gross Unrealized Loss	Highest Credit Grade	Lowest Credit Grade	WAL
<b>Student loans:</b>							
FFELP*	\$ 356,274	\$ 352,060	\$ 908	\$ (5,122)	AAA	CCC	5.51
Private	16,617	16,472		(145)	AAA	AAA	2.32
Credit cards	256,639	254,979	624	(2,284)	AAA	AAA	1.37
Automobiles	682,782	685,131	2,670	(321)	AAA	AAA	1.31
Other	512,062	515,239	3,278	(101)	AAA	A	2.09
<b>ASSET-BACKED SECURITIES</b>	<b>\$ 1,824,374</b>	<b>\$ 1,823,881</b>	<b>\$ 7,480</b>	<b>\$ (7,973)</b>			

\*Federal Family Education Loan Program

Of the 45 asset-backed securities we own that were in an unrealized loss position, 30 of those securities are dual-rated A or better. 14 are dual-rated B or better and the remaining one was split rated B/CCC. We continue to receive principal and interest payments on these securities. FFELP student loan asset-backed securities, which constitute our largest gross unrealized losses, continue to benefit from a guarantee from the U.S. Department of Education as to payment of principal and accrued interest of 97 percent or more.

The 64 mortgage-related securities-agency we own that were in an unrealized loss position represent 18.3 percent of our gross unrealized losses at December 31, 2025, all of which are government agency insured bonds.

Gross unrealized losses on corporate debt securities represent 1.6 percent of our gross unrealized losses at December 31, 2025. The two corporate debt securities we own that were in an unrealized loss position are dual-rated BBB.

Gross unrealized losses on small business administration securities represent 27.8 percent of our gross unrealized losses at December 31, 2025. Of the 144 small business administration securities we own that were in an unrealized loss position, all are agency bonds.

Gross unrealized losses on government-sponsored enterprise securities represent less than one percent of our gross unrealized losses at December 31, 2025. Of the two government-sponsored enterprise securities we own that were in an unrealized loss position, all are agency bonds.

# Notes to Consolidated Financial Statements

## (7) NON-MARKETABLE EQUITY INVESTMENTS

At December 31, investments in non-marketable equity securities, which are included in other assets in the accompanying balance sheets, are summarized below:

	2025	2024
Primary Financial Company LLC	\$ 3,614	\$ 3,590
eDoc Innovations, Inc.	3,177	2,991
TranzCapture LLC	250	250
ModernFi CUSO/ModernFi Inc.	250	250
<b>TOTAL NON-MARKETABLE EQUITY INVESTMENTS</b>	<b>\$ 7,291</b>	<b>\$ 7,081</b>

Corporate One has a 21 percent investment in Primary Financial Company LLC (Primary Financial). Primary Financial is a corporate CUSO and brokers non-negotiable and negotiable certificates of deposit. This investment is accounted for using the equity method. Corporate One's portion of Primary Financial's current period net income or loss, recognized as a component of non-interest income in the accompanying consolidated statements of income, was \$24,900 and \$21,400 in 2025 and 2024, respectively. Corporate One is also a co-broker of Primary Financial and, as such, earns a spread on certificates placed. Corporate One recognized as a component of non-interest income in the accompanying consolidated statements of income, \$988,200 in 2025 and \$938,800 in 2024 on the certificates placed.

Corporate One has a 27 percent investment in eDoc Innovations, Inc. (eDoc). eDoc is a corporate CUSO that provides credit unions e-document management technology, as well as technology and services related to check clearing and forward check collection. Corporate One does not have a majority voting interest and does not maintain a controlling interest in eDoc. Therefore, this investment is accounted for using the equity method. Corporate One's portion of eDoc's current period net income or loss, recognized as a component of non-interest income in the accompanying consolidated statements of income, was \$340,000 and \$319,700 in 2025 and 2024, respectively. In November 2025 and 2024, eDoc declared a dividend of \$.04 per share. This resulted in cash dividends of \$153,600 paid to Corporate One in December 2025 and November 2024. In December 2025, as part of a larger buyback transaction to streamline its ownership structure, eDoc announced the intent to repurchase 523,486 shares from Corporate One resulting in a loss of \$110,900, which is included in the accompanying consolidated statements of income. As a result, Corporate One will own 32 percent of eDoc effective March 2026 when this transaction is completed.

Corporate One has a one percent investment, or 10 units, in TranzCapture LLC (TranzCapture). Corporate One invested in TranzCapture during 2018 and the units purchased were assigned from another institution. The TranzCapture software development CUSO was established in November 2015, due to the need for next generation deposit capture services. This investment is accounted for using the cost method. In December 2025 and 2024, TranzCapture declared and paid dividends of \$106,100 and \$113,900, respectively to Corporate One. These dividends were recognized as a component of non-interest income in the accompanying consolidated statements of income.

Corporate One has less than two percent ownership between ModernFi CUSO and ModernFi Inc. Corporate One invested in November 2024 after the formation of the CUSO earlier in the year. ModernFi is developing a reciprocal deposit network that is specifically designed to assist credit unions. This investment is accounted for using the cost method.

# Notes to Consolidated Financial Statements

## (8) GOODWILL

As a result of a merger with another corporate credit union, Corporate One recorded goodwill of \$3.4 million. The goodwill is attributable to the expanded membership base, the acquisition of staff with specialized corporate credit union knowledge, the increased deposit base, and the anticipated economic value of the securities acquired. Goodwill is not amortized but is evaluated for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. At December 31, 2025, Corporate One performed a qualitative assessment to determine if it was more likely than not that goodwill is impaired, meaning the carrying amount of goodwill exceeds its fair value. Based on our review as of December 31, 2025, we do not believe goodwill is impaired.

## (9) OTHER ASSETS

Included in other assets is a deposit with the NCUSIF for share insurance, accounts receivable, prepaid accounts, and net property and equipment. Both marketable and non-marketable equity investments are also included in other assets. Non-marketable equity investments are discussed in Note 7. Split dollar loans related to Supplemental Executive Retirement Plans (SERP) are included in other assets and are discussed in Note 13. Also included in other assets are derivative financial instruments recorded as an asset and measured at fair value, discussed in Note 16.

In December 2024, we reduced the value of an office building we had previously classified as held for sale by \$495,000 based on the building's current market value. In May 2025, we finalized the sale of the office building, which resulted in a small gain related to the true-up of taxes and utilities as of the settlement date. This gain is included as a decrease to other operating expenses in the accompanying consolidated statements of income. Proceeds of \$3.0 million from the sale were included under investing activities in the accompanying consolidated statements of cash flows.

Property and equipment valued at cost less accumulated depreciation at December 31 are summarized as follows:

	2025	2024
Buildings and improvements	\$ 5,982	\$ 6,216
Assets held for sale		2,795
Equipment	11,962	9,920
	17,944	18,931
Less: Accumulated depreciation	11,291	10,695
<b>NET PROPERTY AND EQUIPMENT</b>	<b>\$ 6,653</b>	<b>\$ 8,236</b>

# Notes to Consolidated Financial Statements

## (10) 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 December 31, 2025, and 2024, Corporate One had securities held in safekeeping at the FHLB with fair values of approximately \$3.87 billion and \$3.43 billion, respectively, which provided a borrowing capacity of approximately \$3.57 billion and \$3.11 billion, respectively. However, actual borrowing capacities were capped each year due to an FHLB lending limit established at 40 percent of prior quarter end assets, which resulted in effective borrowing capacity of \$2.94 billion and \$2.73 billion, respectively. At December 31, 2025, there were no outstanding borrowings. At December 31, 2024, a borrowing of \$500.0 million was outstanding at an interest rate of 4.42 percent. This borrowing matured in January 2025.

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 Federal Reserve Bank by collateral that is acceptable for that purpose. At December 31, 2025, and 2024, Corporate One had securities held in safekeeping at the Federal Reserve Bank with fair values of approximately \$1.62 billion and \$1.51 billion, respectively, which provided a borrowing capacity of approximately \$1.55 billion and \$1.44 billion, respectively. At December 31, 2025, and 2024, there were no amounts outstanding on the line of credit with the Federal Reserve Bank.

Corporate One also maintains reverse repurchase agreements with certain parties, allowing for additional liquidity of approximately \$1.02 billion. These agreements use a portion of our asset-backed securities as collateral. Corporate One had no amounts outstanding under reverse repurchase agreements at December 31, 2025, or 2024. Average borrowings under reverse repurchase agreements were approximately \$199,300 during 2025 and \$198,300 during 2024. There was no amount outstanding at any month-end during 2025 or 2024.

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. No amount was outstanding at December 31, 2025, or 2024.

## (11) SHARE ACCOUNTS AND MEMBER CAPITAL ACCOUNTS

Balances of share accounts and member capital accounts at December 31 are summarized as follows:

	2025	2024
Settlement and regular shares	\$ 6,394,012	\$ 5,624,420
Share certificates	567,796	295,674
<b>TOTAL SHARE ACCOUNTS</b>	<b>\$ 6,961,808</b>	<b>\$ 5,920,094</b>
PCC	\$ 232,616	\$ 228,793
<b>TOTAL MEMBER CAPITAL ACCOUNTS</b>	<b>\$ 232,616</b>	<b>\$ 228,793</b>

Settlement and regular share accounts are available to members on demand and pay dividends either daily or monthly. Eligible accounts of members are insured by the NCUSIF up to \$250,000 per member. As of December 31, 2025, and 2024, insured member accounts totaled \$139.6 million and \$135.0 million, respectively. Share certificate accounts have specific maturities and dividend rates. Dividend payments on share certificate accounts vary according to the type of share certificate issued and the length of maturity. Share certificates can be redeemed by members prior to maturity at fair value, as determined by Corporate One.

# Notes to Consolidated Financial Statements

PIC, which is no longer issued, are investments by member credit unions and denote their ownership interest in Corporate One. The member holding the remaining \$20,000 of PIC has given notice to de-capitalize. PIC has a 20-year notice period, and these shares are scheduled for redemption in 2031.

Total share certificate and PIC accounts by maturity at December 31, 2025, are summarized as follows:

Year of Maturity	Balance
2026	\$ 423,074
2027	44,725
2028	99,977
2029 and thereafter	20
<b>TOTAL SHARE CERTIFICATES</b>	<b>\$ 567,796</b>

Share certificates that meet or exceed the NCUSIF insurance limit of \$250,000 at December 31, 2025, and 2024 were \$543.8 million and \$280.4 million, respectively.

Corporate One offers PCC to Associate members or new members who want to become Partner members of Corporate One. Dividends on PCC are declared by the board of directors and paid quarterly.

## (12) COMMITMENTS AND CONTINGENCIES

Corporate One is a party to various financial instruments with off-balance-sheet risk that are used in the normal course of business to meet the financing needs of our members and to manage our exposure to market risks. These financial instruments involve, to varying degrees, elements of credit risk that are not recognized in the balance sheets.

These financial instruments include committed and advised lines of credit. The contractual amounts of these instruments represent the extent of Corporate One's exposure to credit loss. Corporate One uses the same credit policies in making these commitments and obligations as it does for on-balance-sheet instruments. In extending commitments, Corporate One evaluates each member's creditworthiness on a case-by-case basis. All outstanding commitments are subject to collateral agreements and have termination clauses. At December 31, 2025, and 2024, these financial instruments included outstanding advised lines of credit of approximately \$4.75 billion and \$4.60 billion, respectively. There were no outstanding committed lines of credit at December 31, 2025, or 2024.

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 are expected to terminate without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

## (13) RETIREMENT PLAN

Corporate One sponsors a defined-contribution plan (Plan) established under Section 401(k) of the Internal Revenue Code, which covers substantially all employees. The Plan allows employees to contribute up to the Internal Revenue Service maximum allowable percentage of their compensation. Employees also have the option to contribute a portion of their compensation on a pre- or post-tax basis. Corporate One matches 150 percent of the first three percent employee contribution and 75 percent on the next two. In addition, Corporate One may elect to make discretionary contributions to the Plan. This election requires approval by the board of directors. In 2025, the board

# Notes to Consolidated Financial Statements

voted that it intends to pay in April 2026 an additional four percent one-time discretionary contribution to be awarded to employees. There was an additional discretionary contribution of four percent paid in April of 2025. Retirement expense was approximately \$2.31 million and \$2.35 million in 2025 and 2024, respectively.

Corporate One has provided certain executives with a Supplemental Executive Retirement Plan (SERP). These plans are funded through life insurance policies and split dollar loan agreements have been made with each executive, assigning the life insurance policies to Corporate One as collateral to secure repayment of advances and accrued interest. During 2025, one additional executive was added to this plan and another executive's plan was amended for additional policy coverage. As of December 31, 2025, nine current and prior executives of Corporate One have been provided with SERPs, with total split dollar loans outstanding at December 31, 2025, and 2024, of \$54.0 million and \$36.1 million, respectively. Total interest receivable at December 31, 2025, and 2024, was \$126,100 and \$124,800, respectively; both the loans and interest receivable are included in other assets on the balance sheets.

## (14) FAIR VALUE OF FINANCIAL INSTRUMENTS

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. 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 can 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.

The guidance requires that the highest level of valuation available be used. This standard describes inactive markets as characterized by few transactions for the asset, prices that are not current, prices that vary substantially, or some combination thereof, and while an entity should not assume a market is inactive, it should also not assume the prices available are from active markets. The determination of market participation requires a significant amount of judgment by management.

The fair values of available-for-sale securities are determined by obtaining quoted prices from brokers or pricing services, or market listings as of the last day of the year. For securities where there is limited trading due to current market conditions, pricing services may utilize matrix pricing to determine the price. Matrix pricing is a mathematical technique used widely in the industry to value debt securities without relying on quoted prices for the specific securities, but rather by relying on the securities' relationship to other benchmark quoted securities. We have classified the pricing for such securities as Level 2.

# Notes to Consolidated Financial Statements

Corporate One engages independent third-party experts to value our asset-backed securities where pricing is unavailable from a pricing service. These third-party experts use their internal models for pricing these securities. Information, such as historical and current performance of the underlying collateral, deferral/default rates, collateral coverage ratios, cash flow projections, and liquidity and credit premiums required by a market participant, is utilized in determining individual security valuations. For these securities, the fair value is highly sensitive to assumption changes and market volatility.

The fair values of derivatives are based on valuation models using observable market data as of the measurement date. Our derivatives are traded in an over-the-counter market where quoted market prices are not always available. Therefore, the fair value of derivatives is determined using quantitative models that utilize multiple market inputs. The inputs will vary based on the type of derivative, but could include interest rates, prices and indices to generate continuous yield or pricing curves, prepayment rates, and volatility factors to value the position. We have classified the pricing for such derivatives as Level 2.

Assets measured at fair value on a recurring basis are summarized below as of December 31, 2025:

	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)
<b>Available-for-sale securities:</b>				
Asset-backed securities:				
Student loans - FFELP	\$ 352,060		\$ 352,060	
Student loans - private	16,472		16,472	
Credit cards	254,979		254,979	
Automobiles	685,131		685,131	
Other	515,239	\$ 176,828	338,411	
SBA securities	1,712,974		1,712,974	
Mortgage-related securities - agency	1,963,855		1,963,855	
Corporate debt securities	256,625	172,680	83,945	
Government-sponsored enterprise securities	195,349	75,126	120,223	
<b>TOTAL AVAILABLE-FOR-SALE SECURITIES</b>	<b>\$ 5,952,684</b>	<b>\$ 424,634</b>	<b>\$ 5,528,050</b>	
Derivative assets - interest rate contracts	6,669		6,669	
<b>TOTAL ASSETS AT FAIR VALUE</b>	<b>\$ 5,959,353</b>		<b>\$ 5,534,719</b>	
Derivative liabilities - interest rate contracts	3,007		3,007	
<b>TOTAL LIABILITIES AT FAIR VALUE</b>	<b>\$ 3,007</b>		<b>\$ 3,007</b>	

(Table dollar amounts in thousands)

# Notes to Consolidated Financial Statements

Assets measured at fair value on a recurring basis are summarized below as of December 31, 2024:

	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)
<b>Available-for-sale securities:</b>				
Asset-backed securities:				
Student loans - FFELP	\$ 331,696		\$ 331,696	
Student loans - private	22,057		22,057	
Credit cards	190,246		190,246	
Automobiles	559,513		559,513	
Other	508,543		508,543	
SBA securities	1,558,076		1,558,076	
Mortgage-related securities - agency	1,609,585		1,609,585	
Corporate debt securities	289,908	\$ 289,908		
Government-sponsored enterprise securities	255,436		255,436	
Treasury notes	9,940		9,940	
<b>TOTAL AVAILABLE-FOR-SALE SECURITIES</b>	<b>\$ 5,335,000</b>	<b>\$ 289,908</b>	<b>\$ 5,045,092</b>	
Derivative assets - interest rate contracts	18,742		18,742	
<b>TOTAL ASSETS AT FAIR VALUE</b>	<b>\$ 5,353,742</b>	<b>\$ 289,908</b>	<b>\$ 5,063,834</b>	
Derivative liabilities - interest rate contracts	475		475	
<b>TOTAL LIABILITIES AT FAIR VALUE</b>	<b>\$ 475</b>		<b>\$ 475</b>	

## (15) REGULATORY CAPITAL AND NET ECONOMIC VALUE REQUIREMENTS

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%

\*Moving Daily Average Net Assets (NCUA allows for the deductions used in Tier 1 capital to be deducted from MDANA)

\*\*Moving Daily Average Net Risk Weighted Assets (MDANRA)

\*\*\* As defined by the NCUA Rules and Regulations §704.2

(Table dollar amounts in thousands)

# Notes to Consolidated Financial Statements

The following table outlines the components of regulatory capital at December 31:

	2025	2024
Retained Earnings	\$ 389,454	\$ 350,194
PCC	232,616	228,793
Less: CUSO investments (equity and cost)	(7,291)	(7,081)
Tier 1 Capital	614,779	571,906
Unamortized PIC	20	20
Tier 2 Capital	20	20
<b>TOTAL CAPITAL</b>	<b>\$ 614,799</b>	<b>\$ 571,926</b>

As of December 31, 2025, MDANA and MDANRA were \$7.55 billion and \$2.31 billion, respectively. As of December 31, 2024, MDANA and MDANRA were \$6.71 billion and \$2.06 billion, respectively. NCUA Rules and Regulations Part 704 allows for the deductions from Tier 1 capital to also be deducted from MDANA for use in the leverage ratio capital. At December 31, 2025, and 2024, adjusted MDANA (used for the leverage ratio) was \$7.54 billion and \$6.71 billion, respectively.

The following summarizes Corporate One's capital ratios as of December 31, 2025, and 2024.

	December 31, 2025	December 31, 2024
Retained earnings ratio	5.16%	5.22%
Leverage ratio	8.15%	8.53%
Tier 1 risk-based capital ratio	26.60%	27.72%
Total risk-based capital ratio	26.60%	27.73%

There are several remedies available to a corporate credit union should its regulatory ratios fall below the required minimum. However, despite such remedies, the NCUA could restrict the corporate's ability to, among other things, accept additional deposits, open new accounts, make loans, or pay dividends. As of December 31, 2025, and 2024, Corporate One exceeded all the regulatory capital ratio requirements.

Corporate One's NEV sensitivity is limited by Part 704 of NCUA rules and regulations, which outline a minimum NEV ratio of 2.0 percent and a maximum allowable change in NEV of 15 percent in a shocked rate scenario. However, Corporate One operates with expanded Part 1 authority due to our strong capital position, which allows for up to a 35 percent change in NEV from base. If Corporate One fails to meet our NEV requirements, due to either base NEV below 2 percent or NEV percentage change greater than allowed for 30 calendar days, a detailed, written action plan that sets forth the time needed and means by which it intends to correct the violation must be submitted to the NCUA. In addition, discretionary actions by the NCUA are possible that could have a material effect on Corporate One's financial position and operations.

Throughout 2025 and 2024, we complied with the NEV sensitivity requirement and the NEV ratio requirement.

# Notes to Consolidated Financial Statements

## (16) DERIVATIVES

Corporate One uses derivative instruments to mitigate interest rate risk by reducing NEV volatility. 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:** Interest rate swaps with notional amounts totaling \$31.5 million as of December 31, 2025, and December 31, 2024, were designated as cash flow hedges of a portion of our daily market accounts and determined to be effective during all periods presented. The gain or loss on the derivatives 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 hedges to remain effective during the remaining terms of the swaps.

**Fair Value Hedges:** Interest rate swaps with notional amounts totaling \$514.7 million and \$598.7 million as of December 31, 2025, and December 31, 2024, respectively, were designated as fair value hedges. As of December 31, 2025, \$489.7 million were tied to certain fixed-rate assets, and \$25.0 million were tied to fixed rate term loans; all were determined to be effective during all periods presented. As of December 31, 2024, \$458.7 million were tied to certain fixed-rate assets, and \$140.0 million were tied to fixed rate term loans; all 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.

The following table presents the amounts recorded on the balance sheet related to cumulative basis adjustments for fair value hedges as of December 31:

Line Item in the Balance Sheet in which the Hedged Item is Included	Carrying Amount of the Hedged Assets (Liabilities)		Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Assets (Liabilities)	
	2025	2024	2025	2024
Available-for-sale securities at fair value	\$ 506,466	\$ 475,681	\$ (1,479)	\$ (14,357)
Loans to members	25,000	140,000	59	(174)

(Table dollar amounts in thousands)

# Notes to Consolidated Financial Statements

The notional amount and fair value of the derivatives on a gross basis at December 31 are as follows:

	2025		2024	
	Notional Amount	Fair Value	Notional Amount	Fair Value
<b>Included in other assets:</b>				
Derivatives designated as hedges:				
Interest rate swaps – cash flow	\$ 31,470	\$ 2,242	\$ 31,470	\$ 3,736
Interest rate swaps – fair value	167,713	4,427	503,713	15,006
<b>TOTAL INCLUDED IN OTHER ASSETS</b>	<b>\$ 199,183</b>	<b>\$ 6,669</b>	<b>\$ 535,183</b>	<b>\$ 18,742</b>
<b>Included in accounts payable and other liabilities:</b>				
Derivatives designated as hedges:				
Interest rate swaps – fair value	\$ 347,000	\$ (3,007)	\$ 95,000	\$ (475)
<b>TOTAL INCLUDED IN ACCOUNTS PAYABLE AND OTHER LIABILITIES</b>	<b>\$ 347,000</b>	<b>\$ (3,007)</b>	<b>\$ 95,000</b>	<b>\$ (475)</b>

The related interest income or expense on fair value hedges is recorded in net interest income for the years ended December 31, 2025, and 2024. The pools of securities, loans, and share certificates that were hedged contributed \$22.5 million in 2025 to net interest income and \$19.9 million in 2024. The interest rate contracts on the hedged items contributed \$8.7 million to net interest income in 2025 and \$13.7 million in 2024. The amount reclassified from accumulated other comprehensive income or loss into income due to the gain on the cash flow hedging relationship was \$1.2 million and \$1.5 million in 2025 and 2024, respectively.

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 December 31, 2025, Corporate One holds collateral from US Bank in the amounts of \$2.8 million and \$4.4 million related to fair value and cash flow hedges, respectively. As of December 31, 2024, Corporate One held collateral from US Bank in the amounts of \$20.8 million and \$4.0 million related to fair value and cash flow hedges, respectively.

# Notes to Consolidated Financial Statements

## (17) ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following shows changes in accumulated other comprehensive income (loss) by component for the years ended December 31, 2025, and 2024.

	Unrealized Gains and Losses on Cash Flow Hedges	Unrealized Gains and Losses on Available-for-Sale Securities	Total
<b>Balance, December 31, 2023</b>	\$ 3,988	\$ (34,391)	\$ (30,403)
Other comprehensive income before reclassification	1,241	30,266	31,507
Amounts reclassified from accumulated other comprehensive income (loss)	(1,493)	139	(1,354)
<b>Balance, December 31, 2024</b>	3,736	(3,986)	(250)
Other comprehensive income before reclassification	(317)	1,512	1,195
Amounts reclassified from accumulated other comprehensive loss	(1,178)	(336)	(1,514)
<b>Balance, December 31, 2025</b>	\$ 2,241	\$ (2,810)	\$ (569)

The following are significant amounts reclassified out of accumulated other comprehensive income (loss) for the years ending December 31, 2025, and 2024.

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss) as of December 31, 2025	Amount Reclassified from Accumulated Other Comprehensive Income (Loss) as of December 31, 2024	Affected Line Item in the Consolidated Statements of Income
Reclassification adjustment recognized in earnings for interest on daily market accounts	\$ (1,178)	\$ (1,493)	Net interest income
Reclassification adjustment recognized in earnings for net (gain) loss on sales of securities	(336)	139	Net gain (loss) on sales of securities
<b>Total reclassifications for the period</b>	\$ (1,514)	\$ (1,354)	

# Notes to Consolidated Financial Statements

## (18) REVENUE FROM CONTRACTS WITH MEMBERS

All of Corporate One's revenue from contracts with members in the scope of ASC 606 is recognized within non-interest income. The following table presents Corporate One's sources of non-interest income for the 12 months ended December 31, 2025, and 2024. Items outside the scope of ASC 606 are noted as such.

	Year ended December 31,	
	2025	2024
Non-Interest Income		
CUSO income	\$ 10,586	\$ 9,122
Payment services	4,156	3,971
Brokerage services	1,270	1,117
Digital	148	143
Other*	1,559	1,757
Non-interest income within the scope of other GAAP topics	1,168	1,155
Non-interest income	18,887	17,265
Less: fee holiday credit	(1,766)	(1,754)
<b>TOTAL NON-INTEREST INCOME</b>	<b>\$ 17,121</b>	<b>\$ 15,511</b>

\*The Other category includes vault and securities safekeeping services and miscellaneous member fees.

A description of Corporate One's revenue streams accounted for under ASC 606 follows:

**CUSO Income** – Corporate One's wholly owned CUSOs earn fees from providing business lending solutions, investment advisory services, strategic asset/liability management, and loan analytics tools, along with consulting for optimizing loan pricing and profitability and managing CECL requirements. These fees are primarily earned upon the delivery of a product or access to a system or consultant over a period of time. The services performed over time are typically billed monthly but may be billed quarterly or annually and the income is recognized over the period of time the performance obligation is fulfilled. Account servicing fees, which relate primarily to monthly access to a system, are earned over the course of a month, representing the period during which the performance obligation is satisfied. In certain arrangements, our wholly owned CUSOs (i) act as an agent in arranging the relationship between the member and the third-party service provider and (ii) do not control the services rendered to the members in certain arrangements. In those arrangements, we recognized net CUSO income of \$255,000 and \$292,000 included in CUSO income above, of which \$987,000 and \$1.02 million represents gross CUSO income, and \$732,000 and \$728,000 represents third-party costs incurred to provide these services for the 12 months ended December 31, 2025, and 2024, respectively. Where our wholly owned CUSOs act as principals, third-party costs of \$1.12 million and \$904,000 are included in other operating expenses in the accompanying consolidated statements of income for the 12 months ended December 31, 2025, and 2024, respectively.

**Payment Services** – Corporate One earns fees from payment services provided to its members for transaction-based and account maintenance services. A portion of these services are performed by third-party service providers. Transaction-based fees, which include services such as ACH fees, remote deposit capture fees, share draft processing fees, immediate payments processing fees, and wire transfer fees, are recognized at the time the transaction is executed as that is the point in time Corporate One fulfills the member's request (via a third-party provider). Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of the month, representing the period during which Corporate One (via third-party providers) satisfies the performance obligation.

(Table dollar amounts in thousands)

# Notes to Consolidated Financial Statements

In certain arrangements, Corporate One (i) acts as an agent in arranging the relationship between the member and the third-party service providers and (ii) does not control the services rendered to the members. In those arrangements, we recognized net payment services income of \$3.52 million and \$3.72 million included in payment services income above, of which \$6.61 million and \$6.65 million represents gross payment services income, and \$3.09 million and \$2.93 million represents third-party costs incurred to provide these services for the 12 months ended December 31, 2025, and 2024, respectively. Where Corporate One acts as a principal, third-party costs of \$235,000 and \$208,000 are included in other operating expenses in the accompanying consolidated statements of income for the 12 months ended December 31, 2025, and 2024, respectively. Payment service fees are withdrawn from the member's deposit account balance.

**Brokerage Services** – Corporate One earns fees from investment brokerage services provided to its members by third-party service providers. Corporate One receives commissions from the third-party service providers monthly, based upon member activity for the month. Because Corporate One's performance obligation is satisfied at the service date, the commissions are recognized at that point in time, and a receivable is recorded until commissions are received typically the following month. Because Corporate One (i) acts as an agent in arranging the relationship between the member and the third-party service providers and (ii) does not control the services rendered to the members, brokerage service fees are presented net of related costs, including \$42,000 and \$37,000 in third-party costs incurred to provide these services for the 12 months ended December 31, 2025, and 2024, respectively.

**Digital** – Corporate One earns fees from providing digital services, including payment solutions, identity verification solutions, and a unified integration platform to enhance a credit union's member experiences through technologies. These fees are primarily earned upon the delivery of a product or access to a system over a period of time. The services performed over time are typically billed monthly but may be billed quarterly or annually, and the income is recognized over the period of time the performance obligation is fulfilled. Account servicing fees, which relate primarily to monthly access to a system, are earned over the course of a month, representing the period during which the performance obligation is satisfied. Transaction-based fees, which include services such as loan payments, are recognized at the time the transaction is executed, as that is the point in time Corporate One fulfills the member's request (via third-party providers). In certain arrangements, Corporate One (i) acts as an agent in arranging the relationship between the member and the third-party service providers and (ii) does not control the services rendered to the members. In those arrangements, we recognized net digital income of \$137,000 and \$116,000 included in digital income above, of which \$257,000 and \$236,000 represents gross digital income and \$120,000 and \$120,000 represents third-party costs incurred to provide these services for the 12 months ended December 31, 2025, and 2024, respectively. Where Corporate One acts as a principal, third-party costs of \$3,000 and \$4,000 are included in other operating expenses in the accompanying consolidated statements of income for the 12 months ended December 31, 2025, and 2024, respectively. Digital service fees are withdrawn from the member's deposit account balance.

**Other** – Corporate One earns fees from other revenue streams for transaction-based and account maintenance services provided to its members by third-party service providers. Transaction-based fees, which include services such as vault cash ordering and depositing and securities safekeeping, are recognized at the time the transaction is executed as that is the point in time Corporate One fulfills the member's request (via third-party providers). Account maintenance fees, which relate primarily to monthly maintenance and access fees, are earned over the course of the month, representing the period over which Corporate One (via third-party providers) satisfies the performance obligation. Because Corporate One (i) acts as an agent in arranging the relationship between the member and the third-party service providers and (ii) does not control the services rendered to the members, these fees are presented net of related costs, including \$842,000 and \$636,000 in third-party costs incurred to provide these services for the 12 months ended December 31, 2025, and 2024, respectively. Other service fees are withdrawn from the member's deposit account balance.

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