



Unaudited Financial Statements

February 2024

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For further information, please contact:

Denise Brown, Executive Vice President, Chief Financial Officer, 866/692-6771 ext. 9367 or
Tammy Cantrell, Executive Vice President, Chief Product Strategist, 866/692-6771 ext. 9312.

Dear Members,

Please find attached to this letter our unaudited financial statements and regulatory ratios for February 2024. Our February 2024 5310 report can be found at <https://www.corporateone.coop/About/Financials>. In addition, our 2023 audited consolidated financial statements and footnotes can be found on our public website.

Year to date through February 29, 2024, we recorded \$7.3 million in net income, resulting in retained earnings exceeding \$323 million. As of February 29, 2024, we hold total regulatory capital of \$543.9 million, which in addition to retained earnings, includes \$227.0 million of Perpetual Contributed Capital (PCC) from our member credit unions. This capital results in a leverage ratio of 10.77 percent, exceeding the NCUA's Regulation 704 well-capitalized level of five percent. Our strong capital levels support our balance sheet and underscore our financial stability.

We recognize that liquidity in the credit union network remains a concern for many credit unions, and we stand ready to provide liquidity options to our members as they need them. We consistently monitor our members' demands on our liquidity and evaluate the adequacy of our liquidity sources. We maintain diversified sources of funds, which provide approximately \$3.6 billion in borrowing capacity. Quarterly, we test our ability to access our borrowing facilities to ensure those sources of funds are available when needed. In addition, our securities portfolio contains highly rated securities with readily determined market values that are all classified as available for sale and can be sold or borrowed against to generate liquidity. We maintain robust processes to monitor our top depositors and limit the maximum any one credit union can deposit with us. By diversifying our membership deposit base, we are mitigating the impact of sudden withdrawals by larger depositors. We also assist our members with accessing liquidity through other means, such as non-member brokered CD issuance, and the Central Liquidity Fund. If your credit union needs liquidity, call us.

Thank you to all our members for your ongoing support. If you have any questions about our financial condition, please feel free to contact me at dbrown@corporateone.coop or 866/692-6771, ext. 9367.

Sincerely,

Denise Brown
Executive Vice President, Chief Financial Officer

Consolidated Balance Sheets (unaudited)

CORPORATE ONE FEDERAL CREDIT UNION CONSOLIDATED BALANCE SHEETS

Assets	February 29, 2024	February 28, 2023
Cash and cash equivalents	\$ 2,102,568,918	\$ 1,728,486,387
Investments in financial institutions	63,293,800	63,034,300
Securities available for sale, at fair value	3,665,909,601	3,389,967,578
Loans	168,246,826	291,928,205
Accrued interest receivable	33,886,430	24,185,993
Goodwill	3,395,730	3,395,730
Other assets	99,380,018	104,890,158
TOTAL ASSETS	6,136,681,323	5,605,888,351
Liabilities and Members' Equity		
Liabilities:		
Settlement and regular shares	4,735,816,141	3,754,138,705
Share certificates	507,762,014	498,294,402
Borrowed funds	288,500,000	850,000,000
Dividends and interest payable	4,867,785	2,787,628
Accounts payable and other liabilities	66,553,814	41,753,352
TOTAL LIABILITIES	5,603,499,754	5,146,974,087
Members' equity:		
Perpetual contributed capital	226,992,520	226,092,520
Retained earnings	323,632,021	274,293,330
Accumulated other comprehensive loss	(17,442,972)	(41,471,586)
TOTAL MEMBERS' EQUITY	533,181,569	458,914,264
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 6,136,681,323	\$ 5,605,888,351

Consolidated Statements of Income (unaudited)

	Two Months Ended	
	<u>February 29, 2024</u>	<u>February 28, 2023</u>
Interest Income:		
Investments	\$54,285,060	\$40,440,138
Loans	1,560,378	2,137,893
Total Interest Income	55,845,438	42,578,031
Dividend And Interest Expense:		
Shares	39,090,713	26,212,699
Borrowed funds and other	5,174,202	7,629,729
Total Dividend And Interest Expense	44,264,915	33,842,428
Net Interest Income	11,580,523	8,735,603
Non-Interest Income	2,568,019	2,510,867
Salaries and employee benefits	5,224,569	4,796,082
Office operations and occupancy expense	1,377,993	1,329,983
Other operating expenses	213,505	253,336
Total Operating Expenses	6,816,067	6,379,401
Net Income	\$7,332,475	\$4,867,069

Consolidated Statements of Comprehensive Income (Loss) (unaudited)

	Two Months Ended	
	<u>February 29, 2024</u>	<u>February 28, 2023</u>
Net Income	\$ 7,332,475	\$ 4,867,069
Other comprehensive income :		
Change in net unrealized gain on available-for-sale securities	12,507,824	24,708,273
Change in net unrealized gain (loss) on cash flow hedge	709,537	381,423
Reclassification adjustment recognized in earnings for net interest on daily market accounts	(257,682)	(200,054)
Total other comprehensive income	12,959,679	24,889,642
Comprehensive Income	\$ 20,292,154	\$ 29,756,711

Consolidated Statement of Changes in Members' Equity for the Two Month Ended February 29, 2024 (unaudited)

	Perpetual Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance At January 1, 2024	\$ 226,992,520	\$ 316,299,546	\$ (30,402,651)	\$ 512,889,415
Net income		7,332,475		7,332,475
Other comprehensive income			12,959,679	12,959,679
Balance at February 29, 2024	<u>\$ 226,992,520</u>	<u>\$ 323,632,021</u>	<u>\$ (17,442,972)</u>	<u>\$ 533,181,569</u>

Capital Ratios and NEV

The NCUA Rules and Regulations, Part 704, provides the rules for governing corporate credit unions. The rules include the capital framework, definitions for various capital instruments, and the capital ratios a corporate credit union must meet.

The following table presents the ratios, definitions of the numerators, and denominators for each of the ratios and the required minimum levels for well-capitalized and adequately capitalized designations under the regulation. The definitions of the numerators are simplifications, as the regulation contains certain adjustments to each capital calculation.

	Numerator	Denominator	Well capitalized	Adequately capitalized
Leverage ratio	Tier 1 Capital***	MDANA*	5.00%	4.00%
Tier 1 risk-based capital ratio	Tier 1 Capital***	MDANRA**	6.00%	4.00%
Total risk-based capital ratio	Total Capital***	MDANRA**	10.00%	8.00%
NEV ratio	Fair Value of Assets less Fair Value of Liabilities	Fair Value of Assets	2.00%	2.00%

*Moving Daily Average Net Assets (NCUA Rules and Regulations §704.2 allows for the deductions from Tier 1 capital to also be deducted from MDANA)

**Moving Daily Average Net Risk Weighted Assets

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

The following summarizes Corporate One's capital and NEV ratios as of February 29, 2024.

February 29, 2024	
Retained earnings ratio	6.40%
Leverage ratio*	10.77%
Tier 1 risk-based capital ratio	34.85%
Total risk-based capital ratio	34.85%
NEV ratio	8.68%

* NCUA Rules and Regulations §704.2 allows for the deductions from Tier 1 capital to also be deducted from MDANA for use in the Leverage ratio calculation. However, one such deduction was not built into the 5310 calculations, which can result in a slightly different leverage ratio. For February, our 5310 reports an 10.76% leverage ratio.



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