



DFCU FINANCIAL

2024 Annual Report

Minutes from the 2024 DFCU Financial Annual Membership Meeting

CALL TO ORDER - MONDAY, MAY 20TH, 2024

The 2024 Annual Membership Meeting of DFCU Financial was called to order by Chairman Jim Cowper. He welcomed attendees and noted that all necessary meeting materials, including the rules of conduct, the 2023 annual report, prior meeting minutes, and the meeting agenda, were available at dfcufinancial.com/annualmeeting24.

RULES OF CONDUCT

Chairman Cowper reviewed the rules of conduct for the virtual meeting. It was noted that recording was not permitted without express permission, and all participants were muted except those designated to speak. Questions submitted prior to the meeting would be addressed at the end of the session.

BOARD OF DIRECTORS

The current members of DFCU Financial's Board of Directors were introduced:

Keith Moss, Vice Chair

Don Tomford, Secretary

Matt Elsey, Treasurer

Carna Cureton, Director

Margaret Dimond, Director

Shirley Ghannam, Director

Annetta May, Director

John Sinelli, Director

Scott Haveman, Associate Director

Thomas Reifenberg, Associate Director

Ryan Goldberg, President & CEO

CONFIRMATION OF QUORUM AND APPROVAL OF MINUTES

The 2024 Annual Membership Meeting began at 5:00 p.m. and concluded at 5:09 p.m. A total of 14 individuals were in attendance, and a quorum was confirmed.

A motion was made and seconded to approve the minutes from the 2023 Annual Membership Meeting and include them in the official records of DFCU Financial. The motion carried.

KEY ACCOMPLISHMENTS IN 2023

The Chairman provided a summary of 2023 highlights, as outlined in the Report of Directors. Key accomplishments included:

- 1. First Citrus Bank Integration**
- 2. Strengthening Our Presence**
- 3. Member Enhancements**
- 4. Recognized Excellence**

Further details were made available in the 2023 Annual Report.

2023 IN REVIEW

The 2023 financial results reflected a year of strong performance and strategic expansion for DFCU Financial. As part of our growth efforts, we completed our expansion into Florida through the acquisition of First Citrus Bank, effective January 1, 2023.

Net income totaled \$89.8 million prior to the distribution of our annual Cash Back dividend, which returned \$41 million to members on January 3, 2024. Membership grew by 13,000 individuals in 2023, while the credit union extended over \$750 million in new credit across consumer, mortgage, and business loan categories.

DFCU achieved total revenue of nearly \$203 million, with operating expenses of \$110.3 million. This resulted in a strong efficiency ratio of 54%, underscoring our disciplined approach to cost management. The return on average assets was 1.43%, placing DFCU sixth among a 50-member peer group of credit unions.

Minutes from the 2024 DFCU Financial Annual Membership Meeting

Our lending portfolio remained well-balanced, with a majority in consumer loans. Notably, our entry into Florida helped shift our average commercial loan mix to 31%, further diversifying the balance sheet. On the deposit side, commercial accounts grew to 7% of total deposits, and share certificates rose to 19%, reflecting member demand for higher-yield savings options.

Comprehensive details, including the full Balance Sheet and Income Statement, are available in the 2023 Annual Report.

IN THE COMMUNITY

In 2023, DFCU Financial continued its tradition of positively impacting communities and empowering individuals through significant contributions and partnerships. Highlights were shared during the meeting.

AWARDS

DFCU received several notable honors in 2023, including:

- S&P Global's Top 100 Credit Unions, the inaugural Inman Best in Finance, and recognizing our merger with First Citrus, AM&AA's Deal of the Year
- DFCU has also continued to be recognized as one of the top workplaces and was presented with several preferred employer awards.

2024 INITIATIVES

Looking ahead, DFCU Financial's 2024 priorities will remain on membership growth through targeted marketing and market expansion in both Florida and Michigan. We will also continue optimizing our workforce to meet future challenges.

UNFINISHED OR NEW BUSINESS

Secretary Don Tomford reported that there were no items of unfinished or new business to present.

ELECTION OF DIRECTORS

The Nominating Committee, appointed in December 2023, proposed the following candidates for election to the Board of Directors for three-year terms:

Jim Cowper
Shirley Ghannam
Don Tomford

Each candidate's background and qualifications were reviewed. As all candidates ran unopposed, a unanimous ballot was cast to confirm their election.

ADJOURNMENT OF MEETING

With no questions submitted prior to the meeting, a motion to adjourn was made and seconded. The meeting was officially adjourned.

Dear Valued Members,

As we reflect on 2024, we are proud of the progress and momentum achieved at DFCU Financial. This year was defined by our continued commitment to sustainable growth, strategic expansion, and delivering exceptional value to our members. At the core of our success is a disciplined approach to managing risk while seizing opportunities to advance our mission and strengthen our organization.

Financial Performance

From a financial perspective, DFCU Financial once again delivered solid financial performance in 2024. Core earnings, prior to the Cash Back dividend for our membership, were \$65.9 million. While core earnings are lower year over year, DFCU further strengthened its balance sheet by strategically building reserves in anticipation of economic uncertainty, as well as recognizing a loss to exchange low-yielding investment securities for current market-yielding ones—positioning us for stronger future income. These actions will allow additional funding opportunities for our members' loan needs and protect the credit union from potential future losses.

In 2024, DFCU funded \$808 million in new consumer, mortgage, and business loan production for our member base. We achieved this while maintaining a disciplined approach to expense control and welcomed 12,320 new members—bringing our total to over 242,000. These figures demonstrate not only our financial health and operational efficiency but also reinforce our commitment to financial responsibility and the well-being of our members.

Key Accomplishments in 2024

Expanding Our Reach

In 2024, we proudly announced the acquisition of Winter Park National Bank, expanding our footprint in the Central Florida market. This acquisition is aligned with our long-term growth strategy and underscores our focus on building a stronger presence in high-growth regions of Florida. We also welcomed new members in Naples and Fort Myers through the successful completion of our acquisition of MidWestOne Bank's Florida operations in June 2024. These additions not only strengthen our reach across the state but also enhance our ability to serve both Florida residents and seasonal Michigan members along the Gulf Coast.

Recognized Excellence

DFCU Financial is proud to have earned several prestigious recognitions in 2024, reaffirming our commitment to excellence in both service and workplace culture. We were honored to receive the Forbes Best-In-State Credit Union award for the sixth time, along with Florida Trend's Best Companies to Work For, Inman's Best of Finance Award, and the Detroit Free Press Michigan Top Workplaces award.

In addition, we were named one of the Best and Brightest Companies to Work For in the nation and received regional recognition as a Metro Detroit Best and Brightest and West Michigan Best and Brightest company. These accolades reflect the dedication of our employees, the strength of our member relationships, and our ongoing pursuit of innovation and trust.

Investing in Our People

Our achievements are driven by the passion and professionalism of our employees. In 2024, we introduced a Talent Management Program focused on succession planning, development, and retention. This initiative is part of our commitment to fostering the most capable and member-focused workforce in the industry. By investing in our people, we ensure that every member interaction is shaped by insight, empathy, and a high standard of service.

Member Enhancements

We are committed to delivering solutions that support the evolving needs of our members. In 2024, we introduced several key enhancements across both business and personal banking:

• Small Business Lending Program

This new program provides streamlined access to business vehicle lending, equipment lending, and credit cards for loan amounts under \$150,000. Delivered through a branch-forward model, it enables our teams to support business members directly and efficiently.

• High-Yield Money Market Deposit Product

A popular deposit offering for members seeking flexible access to funds while earning competitive interest rates.

• Enhanced HELOC

A more attractive home equity line of credit with improved rates and terms to meet a range of financial needs.

• Consumer Loan Preapproval Program

Introduced a digital preapproval process that prescreens qualified members, making it faster and easier to access loan offers online.

• Expanded Residential Lending Programs

Broader mortgage options to better support first-time buyers, current homeowners, and members seeking to refinance.

These enhancements reflect our ongoing investment in personalized, accessible financial solutions that create real value for our members.

A Focus on Member Value

Our unwavering commitment to our members remains at the heart of everything we do. DFCU Financial continues to lead with our one-of-a-kind Cash Back program, returning millions to our members each year simply for doing their everyday banking with us.

This unique benefit, combined with personalized service, competitive products, and expanded access to convenient branch locations, underscores our dedication to helping members thrive financially.

Our accomplishments would not be possible without the continued trust and support of our members, the passion of our employees, and the strength of our leadership. As we look to the future, we remain focused on creating even more opportunities to serve our communities, elevate the member experience, and build on the strong foundation that defines DFCU Financial.

Thank you for being part of DFCU Financial. We look forward to all we will accomplish in the year ahead.



Jim Cowper

Chairman of the Board
DFCU Financial

James Cowper

Balance Sheet & Income Statement (in thousands)

BALANCE SHEET

Consolidated Statements of Financial Condition

December 31	2024 unaudited*	2023
Assets		
Cash and cash equivalents	\$ 984,550	\$ 325,481
Investment securities	3,201,477	3,890,696
Loans	2,223,143	1,805,343
Allowance for loan losses	(20,356)	(8,800)
Net loans	2,202,787	1,796,543
Property, buildings and equipment	50,043	49,090
National Credit Union Share Insurance Fund deposit	53,054	53,043
Accrued income and other assets	169,603	146,742
Total assets	\$ 6,661,514	\$ 6,261,595
Liabilities and equity		
Deposits	\$ 6,063,349	\$ 5,784,946
Accrued expenses and other liabilities	104,805	98,611
Total liabilities	6,168,154	5,883,557
Retained earnings and regular reserve	892,533	849,651
Accumulated other comprehensive income	(399,173)	(471,613)
Members' equity	493,360	378,038
Total liabilities and equity	\$ 6,661,514	\$ 6,261,595

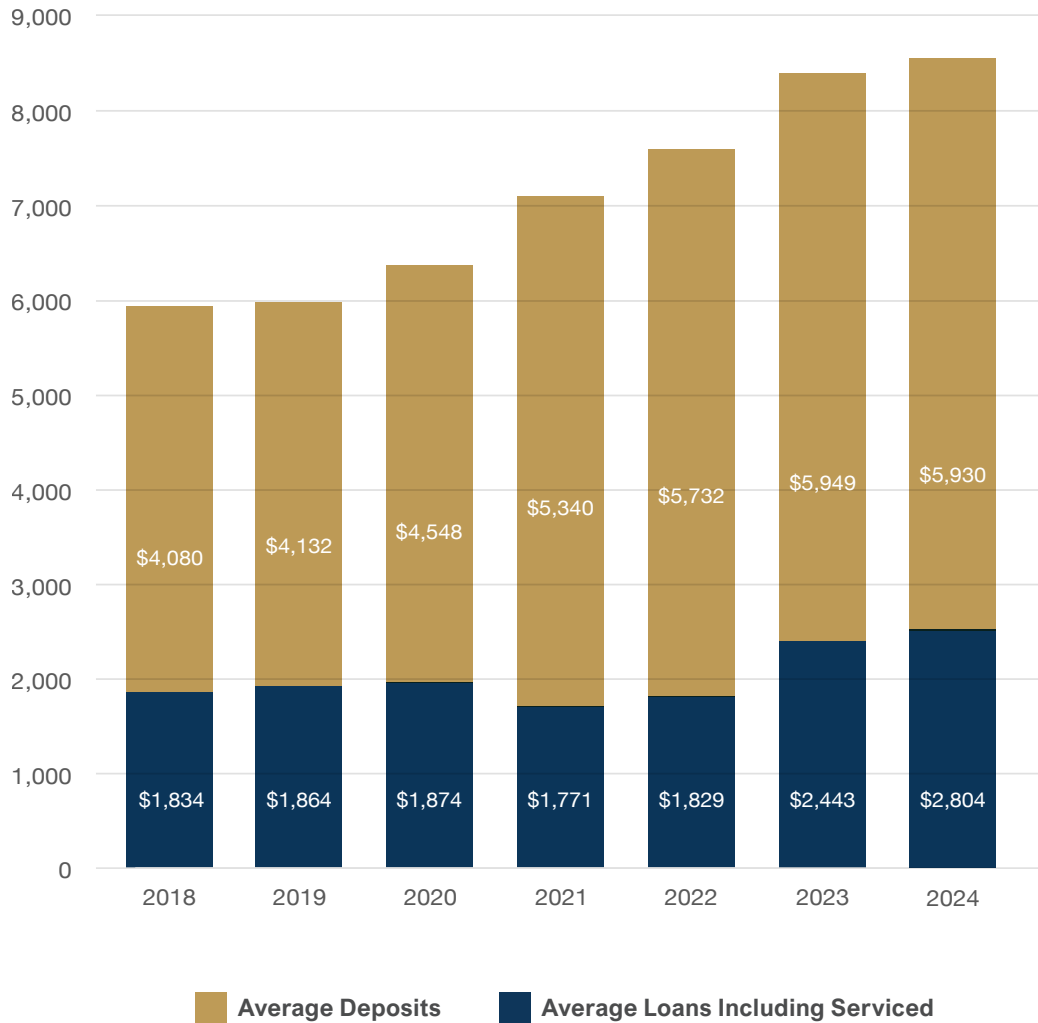
INCOME STATEMENT

Consolidated Statements of Income

December 31	2024 unaudited*	2023
Net interest income		
Interest income	\$ 222,214	\$ 183,656
Interest expense	76,800	34,751
Net interest income	145,414	148,905
Provision for losses on loans	14,472	2,598
Net interest income after provision for losses on loans	130,942	146,307
Non-interest income		
Fees and commissions	52,819	50,634
Investment gains (losses)	(7,971)	679
Other non-interest income	3,877	2,770
Total non-interest income	48,725	54,083
Non-interest expense		
Compensation and benefits	65,919	63,801
Office operations and occupancy	21,741	20,024
Other	26,454	26,716
Total non-interest expenses	114,114	110,541
Net income before special patronage dividend	65,553	89,849
Special patronage dividend	22,671	40,931
Net income	\$ 42,882	\$ 48,918

*Doeren-Mayhew & Co., PC was retained to perform the 2024 audit procedures in the Spring of 2025.
Crowe, LLP issued an unqualified opinion on the 2023 financial statements.

Seven-Year Trend (in millions)
Includes Florida





We were honored to be recognized in 2024 as one of Florida Trend's Best Companies to Work For and to receive the Inman Best in Finance award. We were also named one of America's Best Credit Unions by Newsweek and a Best-In-State Credit Union by Forbes.

Employee feedback helped us earn the National Best and Brightest Companies to Work For designation for the 11th time, Metro Detroit Best and Brightest for the 17th consecutive year, West Michigan Best and Brightest for the 13th year in a row, and Detroit Free Press Top Workplace for the 17th straight year.



In 2024, DFCU Financial continued to make a meaningful impact across the communities we serve through targeted initiatives focused on health, education, hunger relief, and financial literacy. Our commitment to supporting local organizations and creating positive change has been the cornerstone of our mission. Here are the highlights of our community involvement efforts throughout the year:

Michigan Medicine Block Out Cancer Teddy Bear Drive

In recognition of Pediatric Cancer Awareness Month in September, DFCU Financial proudly partnered with Michigan Medicine's Block Out Cancer initiative. Our Ann Arbor offices became a beacon of hope, displaying teddy bears outfitted in T-shirts that our members were invited to sign with messages of encouragement and love. These heartfelt bears were later delivered to pediatric cancer patients, offering comfort and strength during their treatment journey. The initiative underscored our ongoing commitment to the health and well-being of the youngest members of our community.

Michigan Medicine Little Victors Wagon Initiative

Through this heartwarming program, DFCU Financial contributed wagons and resources designed to bring a sense of mobility, independence, and joy to pediatric patients at Michigan Medicine. These wagons help ease the hospital experience for children and their families, turning moments of anxiety into opportunities for comfort and care.

Supporting Education Foundations in Michigan and Florida

Education is the foundation of opportunity. That's why DFCU Financial proudly supported local education foundations throughout Michigan and Florida in 2024. From classroom grants to student enrichment programs, our contributions helped teachers innovate and students thrive, ensuring every child has access to a high-quality education.

Bess the Book Bus Collaboration

In partnership with this inspiring mobile literacy initiative, DFCU Financial helped distribute thousands of free books to children in underserved communities. This program supports early literacy development and fosters a lifelong love for reading by placing books directly into the hands of young readers who need them most.



Children's Literacy Network Partnership

Furthering our commitment to education, DFCU Financial teamed up with the Children's Literacy Network to enhance local literacy programs. Through this partnership, we provided critical resources and support to help children build strong reading skills, setting them on the path to lifelong learning and academic success.

Girls on the Run & the Unstoppable Us Program

DFCU Financial partnered with Girls on the Run to sponsor their new Unstoppable Us program, a transformative initiative that fosters confidence, physical wellness, and essential life skills in young girls through mentorship and interactive, activity-based learning. Our support helped expand access to this impactful program for students, reinforcing our commitment to empowering the next generation of strong, confident leaders.

Gleaners Food Bank, Feeding Tampa Bay, & Harry Chapin Food Bank Volunteer Events

Food insecurity remains a critical issue for many families. DFCU Financial team members rolled up their sleeves and volunteered with local food banks—sorting, packing, and distributing meals to those in need. We also partnered with Mastercard to match donations, amplifying our collective impact in the fight against hunger.

Pack the Pantries Food Collection Drive

Our Pack the Pantries initiative united employees, members, and the community in collecting non-perishable food items for local pantries. The campaign helped restock essential supplies, providing vital nutrition to families across our footprint during times of heightened need.

Banzai Financial Literacy Sponsorship

At DFCU Financial, we believe that financial empowerment begins with education. That's why we continued our sponsorship of Banzai, an award-winning financial literacy platform used in schools across Michigan and Florida. These interactive lessons equip students with real-world skills like budgeting, saving, and understanding credit—tools that will serve them for a lifetime.



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DFCU Financial is an equal opportunity lender.