DFCU FINANCIAL

2025 Annual Report

CALL TO ORDER - MONDAY, MAY 19TH, 2025

The Annual Membership Meeting was called to order at 5:00 PM by Chairman Jim Cowper. Chairman Cowper welcomed attendees and introduced the meeting format and materials, noting that the Rules of Conduct, 2024 Annual Report, previous meeting minutes, and agenda were available online at dfcufinancial.com/annualmeeting25.

RULES OF CONDUCT

Chairman Cowper reviewed the meeting protocols, including that the session could not be recorded without express permission from DFCU Financial and that attendees would remain muted unless speaking. Pre-submitted member questions would be addressed at the conclusion of the meeting.

BOARD OF DIRECTORS

Chairman Cowper introduced the Board of Directors and Executive Leadership:

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 2025 Annual Meeting began at 5:00 PM and concluded at 5:13 PM. A total of 25 individuals were in attendance, and a quorum was confirmed.

A motion was made and seconded to approve the minutes from the 2024 Annual Membership Meeting and to incorporate them into the official records of DFCU Financial. The motion carried.

REPORTS OF THE DIRECTORS AND FINANCIAL CONDITION

Chairman Cowper provided an overview of DFCU Financial's performance in 2024, highlighting another year of strong results:

- DFCU Financial achieved net income of $65.6 million on a fully diluted basis, prior to the distribution of the Cash Back dividend.
- While core earnings were slightly lower than in the previous year, the credit union took proactive steps to strengthen its financial foundation, including:
  - Building reserves to help navigate future economic uncertainty
  - Recognizing a strategic loss by exchanging low-yield investment securities for those with current market rates—positioning DFCU for improved income in future year.
- In 2024, DFCU funded $790 million in new loans across consumer, mortgage, and business lending—demonstrating strong demand in all areas.
- The credit union paid more than $22 million in Cash Back to members, reinforcing its commitment to sharing success directly with those it serves.
- These results included contributions from the newly acquired MidWestOne Bank operations in Naples and Fort Myers.
- Throughout the year, DFCU maintained disciplined expense control, supported a long-term growth strategy, and welcomed 12,320 new members, bringing total membership to over 242,000.

Chairman Cowper concluded by noting that while this presentation provided an overview of the credit union's financial condition, the full Balance Sheet and Income Statement are available in the 2024 Annual Report, which members are encouraged to review at their convenience.

2024 ACCOMPLISHMENTS

Chairman Cowper provided a summary of the highlights as outlined in the Report of Directors. Key accomplishments in 2024 included:

- **Expanding Our Reach**
- **Recognized Excellence**
- **Investing in Our People**
- **Member Enhancements**

Further details were made available in the 2024 Annual Report.

COMMUNITY IMPACT

In 2024, DFCU Financial continued to support the communities we serve through initiatives focused on health, education, hunger relief, and financial literacy. Highlights included expanded support of Bess the Book Bus, our teddy bear sponsorship at C.S. Mott Children's Hospital and local food drives. These efforts reflect our ongoing commitment to creating meaningful change across Michigan and Florida.

RECOGNITION & AWARDS

- **Florida Trend's Best Companies to Work For**
- **Inman Best in Finance**
- **Newsweek's America's Best Credit Unions**
- **Forbes Best-in-State Credit Union**
- **17th consecutive Detroit Free Press Top Workplace**
- **National/Regional Best and Brightest recognition**

2025 STRATEGIC INITIATIVES

Chairman Cowper shared that in 2025, DFCU Financial would continue to focus on membership growth through targeted marketing and geographic expansion in both Florida and Michigan. Key initiatives include the planned merger with Winter Park National Bank and the opening of a new branch in Bloomfield Township. The credit union also remains committed to investing in its people and advancing its long-term strategy centered on growth, efficiency and delivering value to members.

UNFINISHED OR NEW BUSINESS

Secretary Don Tomford reported that there was no Unfinished or New Business to address at this time.

ELECTION OF DIRECTORS

Secretary Tomford presented the 2025 nominees for the Board of Directors, as recommended by the Nominating Committee and previously disclosed to members:

Carna Cureton
Annetta May
Keith Moss

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

A motion was made and seconded to adjourn the 2025 Annual Membership Meeting. The motion was approved, and Chairman Cowper declared the meeting adjourned.

All submitted member questions were addressed prior to the meeting. No further questions were received.

Dear Valued Members,

Last year marked a defining moment for DFCU Financial as we celebrated 75 years of serving our members. Reaching this milestone gave us the opportunity to reflect on where we've been, while intentionally focusing on how we continue to grow, evolve, and deliver value in new ways.

Throughout the year, our efforts were centered on strengthening relationships, expanding our reach, and creating meaningful impact across the communities we serve. At the same time, we remained focused on disciplined growth and long-term stability to ensure we are well positioned for the future.

Financial Performance

DFCU Financial continued to demonstrate strength and stability in 2025. Core earnings totaled $90 million prior to the distribution of our annual Cash Back dividend, which returned $19 million to members on January 6, 2026. Cumulative Cash Back dividends paid to our membership since the program's inception now exceeds $500 million.

This performance reflects continued growth across our lending and membership bases, supported by a disciplined approach to expense management and long-term financial positioning. As part of our growth strategy, we expanded into Central Florida through the acquisition of Winter Park National Bank, effective November 1, 2025.

We met our members' borrowing needs by extending $1 billion in new credit across consumer, mortgage, and business loan categories. DFCU Financial achieved total revenue of nearly $225 million, with operating expenses of $146 million. This resulted in a strong efficiency ratio of 57%, reflecting our disciplined approach to cost management.

Return on average assets was 1.29% prior to the Cash Back dividend, ranking DFCU Financial 10th among a 70-member peer group of credit unions.

Comprehensive financial details, including the full balance sheet and income statement, are included within this Annual Report.

Celebrating 75 Years

Our 75th anniversary was more than a milestone; it shaped how we showed up for our members throughout the year. We focused on creating consistent, tangible value through monthly initiatives designed to engage, reward, and give back.

This included enhanced referral incentives, monthly member awards, and a series of special offers across our lending products—from auto rate, mortgage and home equity rate reductions and business loan closing cost discount. A highlight of the year was our Ford Bronco giveaway, which brought additional excitement and engagement across our markets.

We also placed strong emphasis on supporting the communities we serve. Through monthly nonprofit donations and spotlights, we highlighted organizations across our markets, using our social media channels to help raise awareness and extend their reach.

In addition, we partnered with business members for surprise and delight moments throughout the year, supporting our business members while creating memorable experiences and special treats for the communities and members we serve.

Growth and Expansion

A key milestone in 2025 was the completion of our acquisition of Winter Park National Bank in November, expanding DFCU Financial into the Central Florida market. This represents an important step forward in our long-term growth strategy and strengthens our presence in a key, high-growth region.

We also continued to invest in our physical presence to better serve our members. In Michigan, this included the relocation of our Oakwood Southfield branch to Allen Park and the opening of our White Lake branch, expanding access and enhancing convenience for the communities we serve.

Looking ahead, we will continue to build on this momentum with the opening of our Bloomfield Township branch in May 2026, further strengthening our footprint and commitment to meeting members where they are.

As we grow, our focus remains on delivering consistent, high-quality experiences while expanding access to the full range of products and services DFCU Financial offers.

Investing in Our People and Capabilities

Our ability to grow and deliver on our commitments starts with our people. In 2025, we continued to focus on attracting, developing, and retaining top talent across leadership, business development, and support roles.

At the same time, we made continued progress in strengthening our technology and infrastructure. We introduced a knowledge bot on our website and enhanced chat functionality within online banking, making it easier for members to access information and get support in real time. These enhancements support a more seamless and scalable experience as we continue to grow.

Industry Recognition

In 2025, DFCU Financial was honored to be named to Newsweek's list of America's Best Credit Unions, further reinforcing our commitment to delivering value and service to our members.

We were also recognized as a National Best and Brightest Company to Work For, along with regional honors in Metro Detroit and West Michigan. In addition, DFCU Financial received a National Top Workplaces Innovation award, highlighting our commitment to continuous improvement, forward-thinking solutions, and a culture that supports innovation at every level of the organization.

These recognitions reflect the strength of our culture, the dedication of our employees, and our continued focus on delivering meaningful value to the members and communities we serve.

Delivering Value to Our Members

Everything we do is centered on delivering value to our members. In 2025, that commitment was reflected not only in our 75th anniversary initiatives, but also in the continued impact of our Cash Back program.

Based on our 2025 earnings, we surpassed a significant milestone—exceeding $500 million in cumulative Cash Back returned to our members since the program began. This achievement will be reflected in the 2026 payout and underscores our long-standing commitment to sharing our success with those we serve.

By combining meaningful financial rewards with personalized service and competitive products, we continue to create an experience that is both relevant and differentiated.

Reaching 75 years is an important milestone, but it is not our endpoint. It is a foundation we will continue to build on.

We are grateful for the trust our members place in us, the dedication of our employees, and the leadership that continues to guide our direction. Together, we are well positioned for what comes next.

Jim Cowper
Chairman of the Board
DFCU Financial

James Cowper

(in thousands)

BALANCE SHEET

Consolidated Statements of Financial Condition

December 31	2025	2024
Assets		
Cash and cash equivalents	$ 1,317,752	$ 984,550
Investment securities	3,036,028	3,201,478
Loans	2,968,814	2,163,431
Allowance for loan losses	(30,145)	(20,356)
Net loans	2,938,669	2,143,075
Property, buildings and equipment	60,846	50,043
National Credit Union Share Insurance Fund deposit	55,405	53,054
Accrued income and other assets	360,319	229,315
Total assets	**$ 7,769,019**	**$ 6,661,515**
Liabilities and equity		
Deposits	$ 6,948,922	$ 6,063,349
Accrued expenses and other liabilities	105,301	104,807
Total liabilities	7,054,223	6,168,156
Retained earnings and regular reserve	962,447	892,533
Accumulated other comprehensive income	(247,651)	(399,174)
Members' equity	714,796	493,359
Total liabilities and equity	**$ 7,769,019**	**$ 6,661,515**

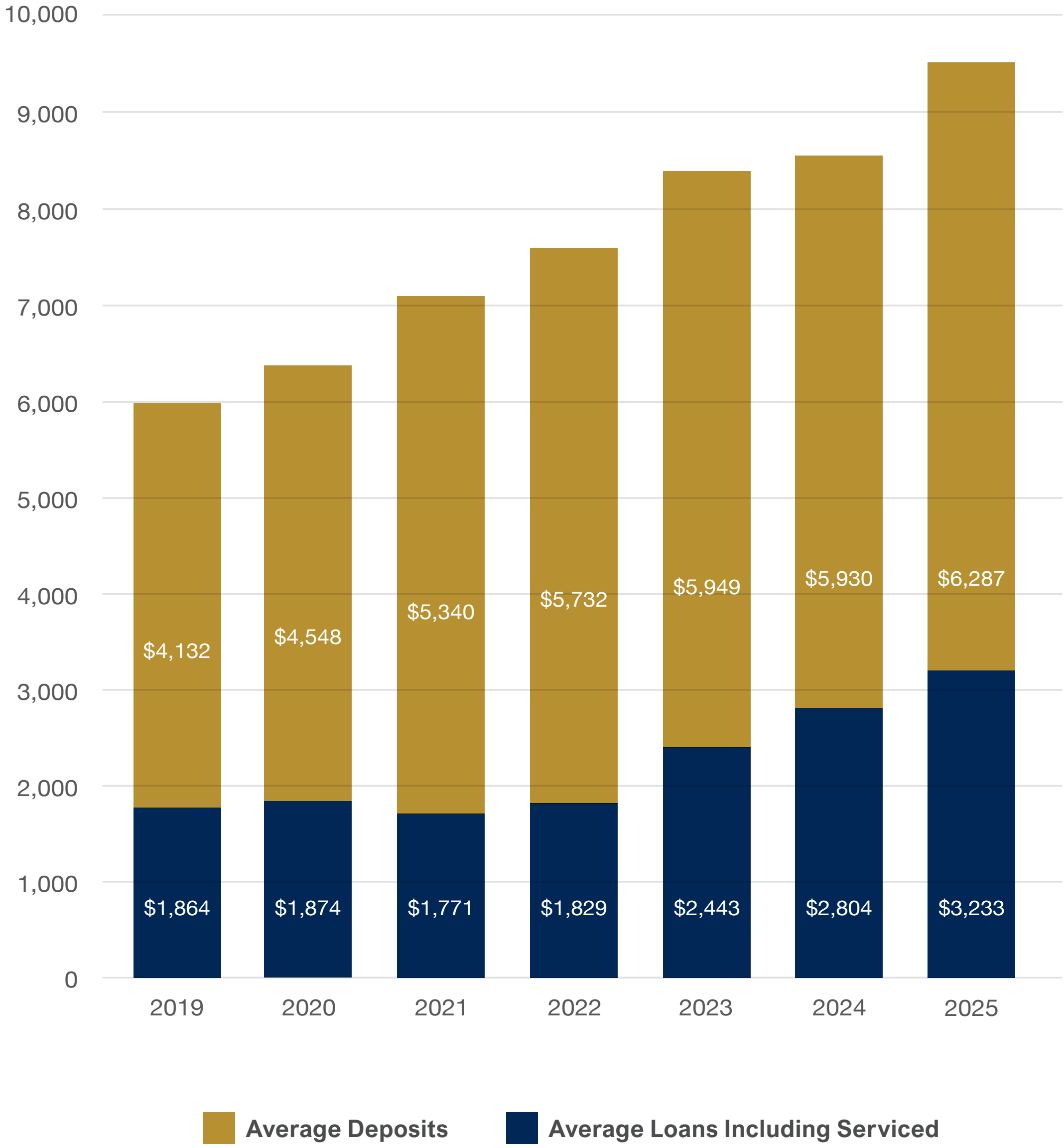
INCOME STATEMENT

Consolidated Statements of Income

December 31	2025	2024
Net interest income		
Interest income	$ 267,947	$ 220,449
Interest expense	93,313	76,800
Net interest income	174,634	143,649
Provision for losses on loans	8,293	14,472
Net interest income after provision for losses on loans	166,341	129,177
Non-interest income		
Fees and commissions	50,008	50,789
Investment gains (losses)	(9,214)	(7,966)
Other non-interest income	9,330	7,668
Total non-interest income	50,124	50,491
Non-interest expense		
Compensation and benefits	73,476	65,919
Office operations and occupancy	23,977	21,741
Other	30,349	26,455
Total non-interest expenses	127,802	114,115
Net income before special patronage dividend	88,663	65,553
Special patronage dividend	18,749	22,671
Net income	**$ 69,914**	**$ 42,882**

Doeren Mayhew & Co., PC issued an unqualified opinion on the 2024 and 2025 financial statements.
Certain amounts reported in the 2024 consolidated financial statements have been reclassified to conform with the 2025 presentation.

Seven-Year Trend (in millions)
Includes Florida



DFCU Earns Important Accolades

We were honored to once again be named one of America's Best Credit Unions by Newsweek.

Employee feedback helped us earn the National Best and Brightest Companies to Work For designation for the 12th time, Metro Detroit Best and Brightest for the 18th consecutive year, West Michigan Best and Brightest for the 14th year in a row, and Detroit Free Press Top Workplace for the 18th straight year.

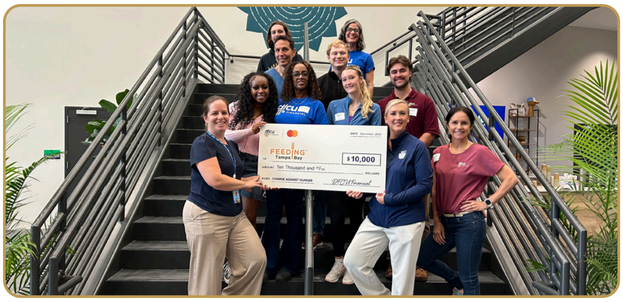
In 2025, DFCU Financial continued to make a meaningful impact across the communities we serve through targeted initiatives focused on health, education, hunger relief, and financial literacy. Supporting local organizations and creating positive change remain the cornerstone of our mission. In addition to our ongoing outreach efforts, 2025 also marked our 75th anniversary, which allowed us to expand our community investment even further, resulting in both enhanced support of long-standing partners, and new nonprofit and small business initiatives highlighted below.

Michigan Medicine Block Out Cancer Teddy Bear Drive
As part of Michigan Medicine's Block Out Cancer initiative, DFCU Financial hosted a special teddy bear drive featuring 5-foot-tall bears displayed in our Ann Arbor branches. These bears wore shirts that members were invited to sign with messages of encouragement and support for pediatric cancer patients and their families. The signed bears were later delivered to Michigan Medicine to bring comfort and smiles to children undergoing treatment, reinforcing our commitment to supporting the health and well-being of our youngest community members.

Michigan Medicine Little Victors Wagon Initiative
DFCU Financial was also a contributor to the Little Victors Wagon Program, a heartwarming initiative designed to improve the hospital experience for pediatric patients. By helping provide comfortable wagons in place of wheelchairs, we helped ease stress and bring moments of joy for children and their families during hospital stays.

Bess the Book Bus Partnership
Through our continued collaboration with Bess the Book Bus, DFCU Financial helped distribute thousands of books to children in underserved communities, promoting early literacy and encouraging a lifelong love of reading.

Children's Literacy Network Partnership
Demonstrating our ongoing dedication to education, DFCU Financial partnered with the Children's Literacy Network to enhance literacy programs. Together, we provide resources that empower children with the skills and tools needed to succeed academically.



Gleaners Food Bank, Feeding Tampa Bay & Harry Chapin Food Bank
DFCU Financial employees volunteered their time to support these vital organizations by sorting, packing, and distributing food, as well as assisting at food stores and distribution sites. In addition to hands-on volunteering, DFCU Financial partnered with Mastercard® through a donation-matching program to further support hunger relief efforts.

Pack the Pantry Food Collection Drive
DFCU Financial collected non-perishable food items to help replenish local food pantry supplies, ensuring families in need have access to essential nutrition.

Banzai Financial Literacy Sponsorship
Continuing our mission to promote financial education, DFCU Financial sponsored Banzai financial literacy programs in schools. These interactive courses provide students with essential skills to manage money wisely, helping prepare them for long-term financial success.

To further celebrate our 75th anniversary, we launched two special initiatives designed to give back even more directly to the communities we serve.

Monthly Nonprofit Giving Program
Each month, DFCU Financial selected nonprofit organizations across our markets to receive financial support, resulting in donations to 30 nonprofits throughout the year, totaling more than $75,000. These organizations represented a wide range of causes, enabling us to support diverse and meaningful community needs in addition to our ongoing outreach efforts.

Local Business Membership Partnerships
Every month, DFCU Financial also partnered with a local business member to spotlight and support their business while encouraging our members and employees to shop local. These partnerships helped drive visibility and foot traffic to small businesses, strengthening local economies and reinforcing our commitment to supporting the success of our business members and the communities they serve.

Through these combined efforts, DFCU Financial reinforced its commitment to building stronger, healthier, and more empowered communities. By prioritizing partnerships, employee engagement, and sustained financial investment, we are proud to support programs that make a real difference across the communities we serve.


Celebrating 75 Years
Thanks to our incredible team
that makes it all possible.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