



ANNUAL REPORT

20

25

A Message From the BOARD CHAIR & PRESIDENT/CEO

Dear Members,

For nearly 90 years, you have trusted MSU Federal Credit Union (MSUFCU) to be your financial institution and an active partner in your community. From desk-drawer beginnings on the Michigan State University (MSU) campus to who we are today, much has changed. What hasn't changed is our commitment to you. We are proud to be a member-first, community-oriented credit union, working to improve lives and help members achieve their dreams through excellent financial products and education.

In 2025, we remained strong and stable — our assets reached \$8.38 billion, with a net worth of 8.43% and a risk-based capital of 11.16%. These indicators of safety and soundness exceed National Credit Union Administration (NCUA) well-capitalized requirements and reflect the care with which we steward the Credit Union.

Although an economically challenging year, we remained focused on investing in our members and communities. By staying adaptable and future focused, we closed the year with a 0.31% return on assets. We ended 2025 with \$694.67 million in members' equity, \$6.41 billion in loans, and \$6.91 billion in deposits. These results reflect the trust our members place in us and our dedication to deliver superior service.

We welcomed over 37,000 new members, bringing our membership to nearly 400,000 worldwide. Whether you engage with us in person or digitally, we work to provide an exceptional, convenient, and seamless experience.

Our branch network is vital to how we serve members. Across our entire branch network, we increased new share deposits 23.9% and loans grew 49.3% year-over-year. We served 12.7% more members in our branches. These results illustrate that branches complement our self-service and digital channels, providing space for meaningful and positive interactions.

Throughout the year, we expanded a portfolio of specialized offerings, including Pillur for business financial services; Home Loans for residential lending; and Silvr and Silvr Insurance for members nearing retirement. These brands enable us to deliver targeted, relevant solutions aligned with members' evolving needs. In addition, our CashBack+ product helped members earn more than \$465,000 in cash back on everyday purchases.

Our commitment to education and community remain central to our work. We reached 31,248 attendees through free financial education member engagements, positively supporting financial wellness across our communities. We also maintained long-standing partnerships throughout our regions, supporting hundreds of organizations and events, including those that strengthened the arts. Across our brands, we supported students through scholarships, sponsorships, and financial education programs.

We invested in our employees and systems while prioritizing innovation that expands the products and services you rely on to support financial wellness. This foundation positions us to meet the needs of our evolving membership today and into the future. As we look ahead, we're optimistic and confident in our ability to continue serving members in meaningful and impactful ways. We remain committed to being an industry leader in innovation that adds value and delivers superior member service.

Thank you for choosing MSUFCU as your trusted financial partner. Your membership makes everything we do possible. On behalf of the Board of Directors and the leadership team, we are grateful for your confidence and support. We look forward to continuing this journey together for many years to come.

Sincerely,



Janet Lillie, Ph.D.
Board Chair



April M. Clobes
President/CEO

Executive Team

April Clobes
President/CEO

Ami Iceman-Haueter
Chief Experience Officer

Ben Maxim
Chief Technology Officer

Jim Hunsanger
Chief Strategic
Enablement Officer

Lea Ammerman
Chief Operating Officer

Rob Johnson
Chief Internal Audit Officer

Sara Dolan
Chief Financial Officer

Silvia Dimma
Chief Human
Resources Officer

Board of Directors

Janet Lillie, Ph.D.
Chair

Elizabeth Lawrence,
MHSA
Vice Chair

Bill Beekman,
J.D., M.B.A.
Secretary

Steve Kurncz, CISA,
CISM, CISSP
Treasurer

Angela Brown, M.B.A.
Director

Ernest Betts, Ph.D.
Director

Gregory Deppong,
C.P.A.
Director

Michael Hudson, M.A.
Director

Quinetta Roberson-
Connally, Ph.D.
Director

Karin Hanson,
SII, MBTI
Associate Director

Lynne Zelenski, Ph.D.
Associate Director



Together, We're Creating A STRONG FINANCIAL FUTURE

Each year, we remain committed to our mission and vision, to provide superior service and world-class member experiences through digital and human interactions. In 2025, this focus led to enhancements that assisted members, business owners, and homeowners in achieving their dreams.

Our Mission

To provide superior service while assisting members and employees to achieve financial security, their goals, and ultimately, their dreams.

Our Vision

To create a world-class omnichannel member experience, utilizing personalized digital and human service to deliver accessible financial solutions.

Our Brands

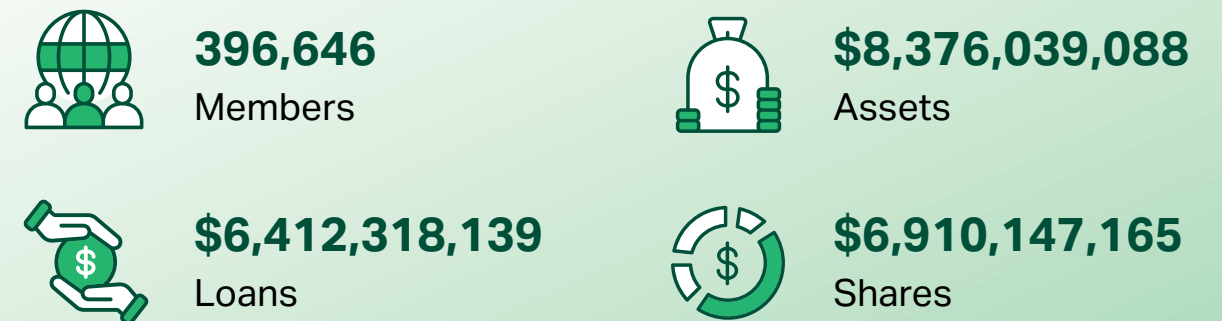


Engaging Members With NEW GROWTH AND ENHANCEMENTS

In 2025, MSUFCU welcomed over 17,000 new members. As we expanded into new markets, we had the opportunity to serve even more members with the products and services they rely on. Each of our 396,646 members is unique in how they engage with us, the tools and technology they use, and the financial goals they are pursuing. We remain committed to serving every member in ways that are personal, relevant, and meaningful.

Here for the Moments That Matter

Finances are deeply personal, and we recognize the responsibility that comes with earning and maintaining our members' trust, especially during times of challenges. When large-scale disasters and economic hardships affected the communities we serve, we focused on showing up with timely, practical relief, including skip-a-pay options, fee waivers, and loan extensions to help members stay on track. We connected members to additional support through tools like SpringFour for financial resources and GreenPath for financial counseling and debt management. During the government shutdown in 2025, we were proud to offer Member Assistance Loans to members who had temporarily lost their income, reinforcing our commitment to helping members navigate challenges and move toward long-term financial well-being.



Membership Growth



Supporting Member Dreams THROUGH SUPERIOR SERVICE

In 2025, we continued to provide the financial products, services, and technology to build brighter financial futures for our members.

Maximizing Member Value

Our employees focused on educating members about the products and services available to them, resulting in the opening of more than 58,000 loan and savings products. Members received \$139.59 million in dividend payments, demonstrating that it pays to be an MSUFCU member.

Delivering Excellent Member Experiences

Our members depend on us to be present and responsive, engaging with us regularly through a variety of channels.

1,363,305

Branch Transactions

4,654

TransPerfect Language Translations

211,501

Fran Virtual Assistant Chats

650,312

Call Center Calls

82,189

Video Teller Interactions

230,253

eMessages and Live Chats

Helping Members Grow



351 members financed their first home, adding to our portfolio of \$2.47 billion in home loans.



19,761 members started saving with Savings Builder,SM adding to \$6.91 billion in shares and deposits.



25,237 members financed new vehicles, adding to our portfolio of \$1.71 billion in auto loans.



37,905 members opened new accounts and new possibilities.



396 businesses secured financing, adding to our portfolio of \$946.78 million in business loans.



2,569 youth members opened an account to begin their financial journey.



Powerful Branch CONNECTIONS

At MSUFCU, we value the personalized and meaningful experience of human interaction in combination with seamless digital service. Throughout 2025, members completed 1,363,305 transactions during visits to our branches, fueling our branch network investments alongside our digital investments. We've seen the positive impact our branches have on members, reflected by the 12.7% increase in members served at branches in 2025.

New Share Deposits at Branches

2025 **\$724,260,732**

2024 **\$582,192,475**

New Loans at Branches

2025 **\$181,290,894**

2024 **\$121,345,769**

"I've been a member at MSUFCU for 20+ years. Relationships have taken on a new dimension because of an accident that I was in, and I can't say enough good things about the people at MSUFCU. I find a deeper and richer experience in interacting with individuals I have history with. And I certainly have history through numerous employees here."

— MSUFCU Member, Mark

RESEDA GROUP

Innovates Across the Industry

As our membership grew, we expanded our brands to further personalize experiences and continue innovating for the future. Founded in 2021, Reseda Group is a Credit Union Service Organization (CUSO) wholly owned by MSUFCU. CUSOs operate independently to build and invest in new technologies and tools for credit unions nationwide. Driven by the goal of innovating for a better financial future, Reseda Group serves 1,700 credit unions and more than 47 million members nationwide. Their research, development, investments, and products transform how people interact with personal finance, strengthening the credit union movement.

Owning Reseda Group allows MSUFCU to innovate quickly and share those innovations with our members and the industry. As a for-profit organization, it also generates revenue for MSUFCU, which we reinvest in our members through innovative solutions and competitive rates.

Reseda Group invests in technologies and financial service solutions across nine different industries that support commercial lending, digital banking, financial wellness, insurance, investing, consumer engagement, payments, and operations. Its portfolio includes 33 minority investments, reflecting a diversified and strategic approach to growth.



Within Reseda Group, some brands are wholly owned by MSUFCU, while others are minority investments. Wholly owned brands help us prioritize innovation, align improvements to member needs, and reinvest value back into the Credit Union. Minority-investment brands reflect strategic stakes that support new solutions and expand member tools. Take a closer look at some of our wholly owned and minority-investment brands below.

Wholly Owned Brands Spotlight

Members with shared finances can simplify their expenses, build budgets, and connect on financial goals through the **Tandem app** — all without a joint account. By bringing this innovation in-house, we can enhance the experience and deliver added value through smarter tools that help members build financial confidence every day.

Pocketnest, an AI-powered financial wellness platform, provides a modern, personalized experience meant to engage Millennials and Gen-X users. Pocketnest helps members build a plan, track progress, and take action through smart recommendations and education. Our ownership helps ensure the tools continue to evolve, providing clear next steps, strong financial habits, and help to reach short- and long-term goals.

Minority-Investment Brands Spotlight

Silvur, an easy-to-use retirement platform, supports senior adults and caregivers with retirement-focused financial tools, education, and guidance to navigate key life transitions with clarity. Silvur Insurance offers one-on-one support for seniors around topics like Medicare and prescription plans.

Prizeout helps members stretch their dollars through their digital reward platform, CashBack+. This product offers discounted gift cards and special offers at everyday brands to make purchases go further. In 2025, our members earned \$467,615 in cash back rewards, helping members save more on the things they already buy.



Our Brands Provide **SPECIALIZED EXPERIENCES**

Our brands provide specialized products and services for specific audiences with unique financial needs. From digital-first credit unions that appeal to students and young professionals, to financial planning services for established members looking toward retirement and more, our brands help us reach more members across more markets. Our brands unite to create diversified revenue, broader reach, and resilience to change, working together to strengthen performance and help members.



As a member-owned, full-service credit union, MSUFCU supports our members at every stage of life with competitive financial solutions, trusted guidance, and a seamless mix of digital and in-person service. As we expand into new markets, we remain focused on helping members build financial security through everyday financial services, lending, and personalized support. Members have relied on people-first, community-oriented experience for generations, trusting us to finance their homes, businesses, and dreams.



Oakland University Credit Union delivers a people-first experience tailored to the Oakland University community, supporting students, faculty, staff, alumni, and families with accessible everyday accounts, lending, and financial education. With a strong campus partnership, trusted personal service, and convenient digital tools, we help members build financial confidence from their first account through life's biggest milestones.



A digital-first credit union supporting recent graduates and young professionals, AlumniFi is designed to help members pay down student debt, save for the future, and establish smart financial habits. Since 2023, our members have added \$83.1 million in deposits.



Collegiate is a digital-first credit union focused on providing accessible financial solutions tailored to students. Our products help students manage their money effectively and build financial independence. With 1,826 members, Collegiate is expanding to reach more students through university partnerships in 2026.



Home Loans Powered by MSUFCU provides a higher focus and visibility for all home loan offerings. Our new dedicated Home Loans space at 311 Abbot in East Lansing serves members seeking mortgages, SmartLineSM Home Equity Loans, Construction Loans, and Home Improvement Loans.



Pillur, our business banking brand, empowers businesses with reliable and tailored financial tools that drive growth and success. In 2025, we strengthened local economies by supporting businesses that create jobs, spark innovation, and uplift their communities. In our total commercial portfolio, we reached \$946.78 million in loans and \$667.75 million in deposits.



Our experienced team of financial advisors can assist with retirement planning, tax-efficient investments, life and long-term care insurance, and more. In 2025, the TrulyU team helped 1,268 members prepare for their financial futures and have \$213.86 million in assets under management.



Commitment to COMMUNITY IMPACT

Building Financial Success

We help members achieve financial wellness and security through free seminars, easy-to-use digital tools, and community programs for children, students, and adults. We're committed to helping members build knowledge, confidence, and long-term financial success, strengthening the communities we serve. Some of our most valued programs include: Campus Explorer Experience, FUNtivity Zone, The Culture of Finances, and Lansing SAVE.

Making A Difference

We create positive member experiences for local communities, fostering community growth and cultural pursuits through grants, sponsorships, and exclusive member events. In 2025, our corporate impact and sponsorship initiatives totaled over \$2 million, supporting several hundred community partners, including:

- Dr. Martin Luther King Jr. Commission of Mid-Michigan
- Grand Rapids Public Museum
- Lansing Pride
- MiSide Community Impact Network
- Potter Park Zoo
- Ronald McDonald House of Mid-Michigan
- Veterans Path to Hope
- Women's Resource Center
- And many more!

Desk Drawer Foundation Impact

The MSUFCU Desk Drawer Foundation (DDF) supports local organizations within five philanthropic pillars: The Arts, Entrepreneurship, Financial Education, Stable Housing, and Youth Empowerment. The Foundation granted \$678,000 to nonprofits in 2025, and over \$3.65 million to more than 60 nonprofit organizations since its founding in 2019. The quarterly DDF Raffle sold nearly 6,000 tickets generating \$59,030, which the DDF Board awarded to deserving nonprofits.

Investing in Employees and WORKPLACE EXCELLENCE

By attracting and retaining top talent, we ensure that members receive expert service, security, and innovative tools and resources. In 2025, we earned multiple industry and workplace awards, demonstrating our investment in both employees and members.

FORTUNE

Fortune Award

- Best Large Workplaces in Financial Services & Insurance



Great Place to Work Award

- Great Place to Work Certified



Mental Health America Award

- Bell Seal for Workplace Mental Health



The National Association For Business Resources Awards

- Michigan's Best and Brightest in Wellness
- The Nation's Best and Brightest in Wellness
- Top 101 Best and Brightest Companies to Work For in the Nation
- West Michigan Best and Brightest Companies to Work For

Top Workplace Awards

- Culture Excellence Awards
 - Compensation and Benefits, DE&I Practices, Innovation, Leadership, Purpose and Values, Woman-Led, and Work-Life Flexibility
- Industry Awards
 - Financial Services Industry (1,000+ employees)
- Top Workplaces USA Today
- Top Workplaces Detroit Free Press



2025 FINANCIAL REPORT

2025 At a Glance (As of December 31)

Total Assets

2025	\$8,376,039,088
2024	\$8,052,688,965
2023	\$7,685,869,702
2022	\$7,275,840,885
2021	\$6,710,868,219

Net Loans

2025	\$6,412,318,139
2024	\$6,266,635,074
2023	\$6,054,581,390
2022	\$5,566,181,323
2021	\$4,688,953,804

Total Shares

2025	\$6,910,147,165
2024	\$6,600,994,951
2023	\$6,225,288,152
2022	\$5,937,593,858
2021	\$5,728,393,521

IMMAs

2025	\$2,135,004,432
2024	\$1,997,867,328
2023	\$1,890,889,837
2022	\$2,074,963,172
2021	\$2,180,949,528

IRAs

IRAs consist of IMMAs and Share Certificates

2025	\$287,954,264
2024	\$281,992,816
2023	\$269,379,109
2022	\$240,977,513
2021	\$227,993,907

Dividends Paid, All Savings*

2025	\$139,591,612
2024	\$139,280,971
2023	\$115,525,807
2022	\$31,129,045
2021	\$22,315,652

*For the year ended December 31

Total Reserves

2025	\$694,672,722
2024	\$655,914,035
2023	\$667,849,980
2022	\$661,597,142
2021	\$639,019,052

Membership

2025	396,646
2024	379,398
2023	355,456
2022	338,733
2021	321,315

INDEPENDENT AUDITOR'S REPORT

Michigan State University Federal Credit Union Board of Directors,

Opinion

We have audited the consolidated financial statements of Michigan State University Federal Credit Union and its subsidiaries (the "Credit Union"), which comprise the consolidated statement of financial condition as of December 31, 2025 and 2024, and the related consolidated statements of income, comprehensive income, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Credit Union 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.

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 Audits of the Consolidated Financial Statements section of our report. We are required to be independent of the Credit Union and to meet our 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 Consolidated 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 the Credit Union's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits of the Consolidated 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 audits 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 audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control. Accordingly, no such opinion is expressed.
- 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 the Credit Union's ability to continue as a going concern for a reasonable period of time.

Plante & Moran, PLLC
February 13, 2026

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

See notes to consolidated financial statements.

	As of Year End	
	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	\$ 525,132,543	\$ 301,062,747
Time deposits with other financial institutions	70,000,000	144,714,000
Investment securities — Marketable securities (Note 3)	6,468,359	7,025,505
Investment securities — Available for sale (Note 3)	539,724,128	517,430,944
Investment securities — Held to maturity — Net (Note 3)	8,161,975	10,824,193
Other investments	55,787,800	55,424,152
Loans held for sale	7,526,766	17,827,707
Loans to members — Net (Note 4)	6,412,318,139	6,266,635,074
Premises and equipment — Net (Note 5)	357,097,805	363,618,226
Goodwill (Note 6)	60,687,917	59,462,013
Core deposit intangible (Note 6)	4,329,022	5,125,307
Employee benefit funding assets	85,458,084	97,665,209
NCUSIF deposit	57,453,624	56,861,550
Other assets	185,892,926	149,012,338
Total assets	\$ 8,376,039,088	\$ 8,052,688,965
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' share and savings accounts (Note 7)	\$ 6,900,115,518	\$ 6,562,878,191
Nonmembers' deposits (Note 7)	10,031,647	38,116,760
Borrowings — Net (Note 8)	673,500,000	698,476,332
Postretirement benefit obligations (Note 10)	5,034,123	5,017,591
Accrued expenses and other liabilities	92,685,078	92,286,056
Total liabilities	7,681,366,366	7,396,774,930
Members' Equity	694,672,722	655,914,035
Total liabilities and members' equity	\$ 8,376,039,088	\$ 8,052,688,965

CONSOLIDATED STATEMENT OF INCOME

See notes to consolidated financial statements.

	Years Ended	
	December 31, 2025	December 31, 2024
Interest Income:		
Loans	\$ 417,283,780	\$ 374,701,685
Investment securities	28,175,185	20,949,888
Interest-bearing balances with other financial institutions	10,904,117	12,356,364
Total interest income	456,363,082	408,007,937
Interest Expense:		
Members' share and savings accounts	139,144,473	138,721,931
Nonmembers' deposits	447,139	559,040
Borrowings	27,020,914	30,054,745
Total interest expense	166,612,526	169,335,716
Net Interest Income	289,750,556	238,672,221
Provision for Credit Losses (Notes 4 and 12)	70,268,991	63,165,269
Net Interest Income after Provision for Credit Losses	219,481,565	175,506,952
Noninterest Income:		
Fees and charges	20,779,288	19,608,011
Visa interchange	47,554,020	45,509,797
Gain (loss) from CUSOs	10,429,444	(1,727)
Net gain on marketable securities	706,040	764,656
Other	30,245,231	24,352,616
Total noninterest income	109,714,023	90,233,353
Noninterest Expense:		
Salaries and employee benefits	153,490,019	154,873,303
Occupancy	28,891,029	22,458,678
Operating expenses	102,173,501	90,175,467
Other	19,025,652	19,542,264
Total noninterest expense	303,580,201	287,049,712
Consolidated Net Income (Loss)	\$ 25,615,387	\$ (21,309,407)
Amounts Attributable to Noncontrolling Interest		
Consolidated net (loss) income attributable to:		
Noncontrolling interest	(4,262)	—
Michigan State University Federal Credit Union	25,619,649	(21,309,407)
Consolidated Net Income (Loss)	\$ 25,615,387	\$ (21,309,407)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

See notes to consolidated financial statements.

	Years Ended	
	December 31, 2025	December 31, 2024
Consolidated Net Income (Loss)	\$ 25,615,387	\$ (21,309,407)
Other Comprehensive Income		
Unrealized gain (loss) on securities:		
Gain arising during the year	17,471,693	9,443,084
Reclassification adjustment for realized (loss) gain included in consolidated net income (loss)	(15,245)	26,193
Total unrealized gain on securities	17,456,448	9,469,277
Postretirement benefit plan:		
Net prior service cost	(5,236,726)	(5,079,063)
Net gain arising during the year	923,578	3,478,227
Total postretirement benefit plan	(4,313,148)	(1,600,836)
Total other comprehensive income	13,143,300	7,868,441
Comprehensive Income (Loss)	\$ 38,758,687	\$ (13,440,966)
Amounts Attributable to Noncontrolling Interest		
Comprehensive (loss) income attributable to:		
Noncontrolling interest	\$ (4,262)	\$ —
Michigan State University Federal Credit Union	38,762,949	(13,440,966)
Comprehensive income (loss)	\$ 38,758,687	\$ (13,440,966)

CONSOLIDATED STATEMENT OF MEMBERS' EQUITY

See notes to consolidated financial statements.

	MSUFCU Members' Equity					
	Equity Acquired in Mergers	Undivided Earnings	Accumulated Other Comprehensive Loss	Total	Noncontrolling Interest	Total Equity
Balance — January 1, 2024	\$ 3,825,906	\$ 696,835,754	\$ (32,811,680)	\$ 667,849,980	\$ —	\$ 667,849,980
Comprehensive (loss) income:						
Net loss	—	(21,309,407)	—	(21,309,407)	—	(21,309,407)
Unrealized gain on securities	—	—	9,469,277	9,469,277	—	9,469,277
Postretirement benefit plan	—	—	(1,600,836)	(1,600,836)	—	(1,600,836)
Equity acquired in merger (Note 15)	1,505,021	—	—	1,505,021	—	1,505,021
Balance — December 31, 2024	5,330,927	675,526,347	(24,943,239)	655,914,035	—	655,914,035
Comprehensive income (loss):						
Net income (loss)	—	25,619,649	—	25,619,649	(4,262)	25,615,387
Unrealized gain on securities	—	—	17,456,448	17,456,448	—	17,456,448
Postretirement benefit plan	—	—	(4,313,148)	(4,313,148)	—	(4,313,148)
Balance — December 31, 2025	\$ 5,330,927	\$ 701,145,996	\$ (11,799,939)	\$ 694,676,984	\$ (4,262)	\$ 694,672,722

CONSOLIDATED STATEMENT OF CASH FLOWS

See notes to consolidated financial statements.

	Years Ended	
	December 31, 2025	December 31, 2024
Cash Flows from Operating Activities		
Consolidated net income (loss)	\$ 25,615,387	\$ (21,309,407)
Adjustments to reconcile consolidated net income (loss) to		
Net cash and cash equivalents from operating activities:		
Depreciation and amortization	29,835,409	20,412,461
Provision for credit losses	70,268,991	63,165,269
Net amortization of securities	518,729	1,640,222
Net realized gains on marketable securities	(795,312)	(23,281)
Net unrealized losses (gains) on marketable securities	89,272	(741,375)
Net (gain) loss on sale of available-for-sale securities	(15,245)	26,193
Earnings on employee benefits funding assets	(3,604,679)	(2,238,600)
Actuarial gain on postretirement benefit liability	(4,296,616)	(3,578,691)
Net change in:		
Loans held for sale	10,300,941	1,880,850
Other assets	(19,470,725)	(1,471,797)
Accrued expenses and other liabilities	388,826	(1,304,057)
Net cash and cash equivalents provided by operating activities	108,834,978	56,457,787
Cash Flows from Investing Activities		
Net change in loans	(216,126,048)	17,428,540
Activity in available-for-sale securities:		
Proceeds from sales	693,628	1,484,625
Maturities, prepayments, and calls	235,105,377	165,236,725
Purchases	(241,126,924)	(89,491,926)
Maturities of held-to-maturity securities	2,652,580	2,245,139
Activity in other investments — Purchases	(363,649)	(2,721,868)
Purchases of split-interest life insurance	—	(6,124,379)
Proceeds from surrender of business owned life insurance	15,811,802	11,448,695
Additions to premises and equipment	(21,655,034)	(84,235,783)
Proceeds from time deposits with other institutions	140,464,000	201,092,000
Purchases of time deposits with other institutions	(65,750,000)	(90,000,000)
Increase in NCUSIF deposit	(592,074)	(2,439,260)
Purchases of marketable securities	(2,886,243)	(1,442,360)
Proceeds from sale of marketable securities	4,149,430	2,304,025
Cash paid for acquisitions	(2,402,228)	(50,796,247)
Investment in CUSOs	(16,892,013)	(12,922,500)
Net cash and cash equivalents (used in) provided by investing activities	(168,917,396)	61,065,426

CONSOLIDATED STATEMENT OF CASH FLOWS

See notes to consolidated financial statements.

	Years Ended	
	December 31, 2025	December 31, 2024
Cash Flows from Financing Activities		
Net increase in members' shares	\$ 337,237,327	\$ 57,077,112
Net decrease in nonmember draft shares	(25,501,113)	(22,522,809)
Settlement of issuance of nonmember certificates	(2,584,000)	(17,334,000)
Proceeds from issuance of Federal Home Loan Bank advances	95,000,000	177,500,000
Repayment of Federal Home Loan Bank advances	(120,000,000)	(132,500,000)
Proceeds from issuance of FRB Bank Term Funding Program advances	—	270,000,000
Repayment of FRB Bank Term Funding Program advances	—	(370,000,000)
Net cash and cash equivalents provided by (used in) financing activities	284,152,214	(37,779,697)
Net Change in Cash and Cash Equivalents	224,069,796	79,743,516
Cash and Cash Equivalents — Beginning of year	301,062,747	221,319,231
Cash and Cash Equivalents — End of year	\$ 525,132,543	\$ 301,062,747
Supplemental Cash Flow Information — Cash paid for interest	\$ 166,321,243	\$ 168,982,595
Significant Noncash Transactions — Transfers from loans to foreclosed assets	\$ 181,523	\$ 362,171

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 1 — Nature of Business

The consolidated financial statements include the accounts of Michigan State University Federal Credit Union (the "Credit Union"); Reseda Group, LLC, a wholly owned holding company for investments in credit union service organizations (CUSOs), including Foresight Group, LLC; M3 Group, LLC; 1937 Group, LLC; Pocketnest CUSO II, LLC; Crescent Title, LLC; Desk Drawer Foundation (DDF), a charitable foundation in which the Credit Union is the sole member; and Verte Investments, LLC. Intercompany accounts and transactions were eliminated in consolidation.

Michigan State University Federal Credit Union is a federally chartered credit union regulated by the National Credit Union Administration (NCUA) and insured by the National Credit Union Share Insurance Fund (NCUSIF). The Credit Union operates branches across the state of Michigan and northern Illinois.

The Credit Union grants consumer loans (including credit card loans), various types of mortgage loans, and business loans to its members. The Credit Union's primary field of membership includes students, alumni, and employees of Michigan State University and Oakland University, as well as individuals who live, work, worship, or attend school in the state of Michigan. Oakland University is served under the registered trade name Oakland University Credit Union. The Credit Union also operates under the trade names Pillur, Collegiate Credit Union, and AlumniFi. The majority of member loans are secured by collateral, including, but not limited to, members' shares, vehicles, real estate, and other consumer or commercial assets. Deposit services include interest bearing and non interest bearing checking accounts, savings accounts, money market accounts, certificates, and IRAs. Other services include mobile applications and computer and telephone transactions, as well as automated teller machines.

Desk Drawer Foundation is a charitable foundation formed in 2019 under Section 501(c)(3) of the Internal Revenue Code to support the Credit Union's communities. DDF provides members and employees with a source to perform charitable giving that makes a visible difference in the community that focuses on five philanthropic pillars: the arts, stable housing, empowering youth, financial education, and fostering entrepreneurialism.

Verte Investments, LLC is a single member limited liability company formed in 2023 to support a minority investment

in the redevelopment of the Fisher Building in Detroit, Michigan and recognition of associated historic tax credits. Desk Drawer Foundation is the single member of Verte Investments, LLC.

Reseda Group, LLC is a single member limited liability company formed in 2021 to support the Credit Union's investments in CUSOs. Reseda Group, LLC makes investments in, or creates, CUSOs that will complement the products and services available to members across the credit union industry and enhance operational efficiencies through investments in our supply chain and strategic partnerships with fintech companies.

Foresight Group, LLC is a single member limited liability company formed in 2021 to provide commercial printing, direct mail services, and promotion items to credit unions and various other industries. Reseda Group, LLC is the single member of Foresight Group, LLC.

M3 Group, LLC is a limited liability company formed in 2022 to provide public relations, branding, and advertising agency services. Reseda Group, LLC is the single member of M3 Group, LLC.

1937 Group, LLC is a limited liability company formed in 2024 as a special purpose credit union service organization to hold loans acquired from other institutions that do not meet the regulatory requirements for federal credit unions. Reseda Group, LLC is the single member of 1937 Group, LLC.

Pocketnest CUSO II, LLC is a limited liability company formed in 2025 to hold shares acquired of Pocketnest Inc. This CUSO provides a technology platform to offer financial wellness advice and offer members access to a complete financial plan. Reseda Group, LLC is the majority owner of Pocketnest CUSO II, LLC. The ownership interests of other parties in Pocketnest CUSO II, LLC are presented as noncontrolling interest in the consolidated financial statements.

Crescent Title, LLC is a limited liability company formed in 2025 to offer title agency services to credit unions and credit union members. Reseda Group, LLC is the majority owner of Crescent Title, LLC. The ownership interests of other parties in Crescent Title, LLC are presented as noncontrolling interest in the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 2 — Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for credit losses, the fair value of investments, and the valuation of the purchase price allocations and resulting goodwill.

Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash on hand, funds on deposit with other financial institutions, federal funds sold, and interest bearing deposits with other financial institutions with original maturities of 90 days or less.

Time Deposits With Other Financial Institutions

Time deposits with other financial institutions consist of certificates of deposit with contractual maturities of five years or less.

Investments

Debt securities purchased where the Credit Union has both the positive intent and ability to hold to maturity are classified as held to maturity and are recorded at cost, adjusted for amortization of premiums and discounts. Purchase premiums and discounts are recognized in interest income using the interest method. For purchase discounts and premiums on noncallable debt securities, the amounts are recognized into income over the term of the securities. For premiums on callable debt securities, the premium is amortized into income over the period until the first call date. Cost is determined on the specific identification method for computing realized gains and losses on the sale of investments. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the investments. The Credit Union collectively evaluates investments to determine the allowance for credit losses based on the issuer of the bonds. The Credit Union calculates the allowance using an expected loss model that considers the Credit Union's actual historical loss rates adjusted for current economic

conditions and reasonable and supportable forecasts. The Credit Union considers the issuer's historical and expected financial performance as well as any changes in credit ratings when making adjustments for reasonable and supportable forecasts.

Debt securities purchased to be held for an indefinite period of time are classified as available for sale securities. Available for sale securities are reported at fair value, with unrealized gains and temporary losses reported in other comprehensive income.

The Credit Union evaluates available for sale securities for impairment each reporting period. When evaluating available for sale securities for impairment, the Credit Union first considers if the fair value of the security is less than its amortized cost. If the fair value is less than the amortized cost, the Credit Union next evaluates whether it intends to sell, or if it is more likely than not that it will be required to sell, the security before it recovers its amortized cost basis. If either criteria is met, an impairment loss is recognized through earnings. If neither criteria is met, the Credit Union then assesses whether the decline in fair value is due to credit losses or other factors. If the Credit Union determines a credit loss exists, the Credit Union compares the present value of the cash flows expected to be collected to the amortized cost basis. An allowance for credit loss is recognized for the amount the amortized cost basis of the security exceeds the present value of the expected future cash flows, limited by the amount of the unrealized loss on the security at that date.

Investments in marketable securities are reported at fair value, with unrealized gains and losses included in earnings.

Other Investments

The Credit Union, as a member of the Federal Home Loan Bank (FHLB) of Indianapolis, is required to maintain an investment in the capital stock of the FHLB. The Credit Union held \$31,942,800 of FHLB capital stock at December 31, 2025 and 2024. In 2024, the Credit Union acquired two community banks that held shares in capital stock at the Federal Home Loan Bank of Chicago, which amounted to \$1,582,500 and \$1,736,000 as of December 31, 2025 and 2024, respectively. These shares will be held by the Credit Union until the related outstanding advances have been repaid in 2029. The stock is redeemable at par by the FHLB and, therefore, is carried at cost and periodically evaluated for impairment. The Credit Union records cash and stock dividends in interest income investment securities on the consolidated statement of income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 2 — Significant Accounting Policies (continued)

Other investments also include the Credit Union's investment in Alloya Corporate Credit Union's (Alloya), Corporate Central Credit Union's (Corporate Central), and Corporate One Federal Credit Union's (Corporate One) permanent capital base, which is required to be maintained for full participation as a member of the corporate credit unions. The Alloya deposit was \$1,137,000 as of December 31, 2025 and 2024. The deposit is not insured by the NCUSIF. Interest on the deposit is paid quarterly based on available earnings at interest rates approved by Alloya's board of directors. In the event a member credit union withdraws from Alloya, the deposit would be repaid in one installment three years after notice of withdrawal is given. The Corporate Central deposit was \$2,000,000 as of December 31, 2025 and 2024. The deposit is not insured by the NCUSIF. Interest on the deposit is paid quarterly based on available earnings at interest rates approved by Corporate Central's board of directors. The deposit is not callable except during optional call periods specified by Corporate Central's board of directors and is subject to prior written approval by the NCUA. The Corporate One deposit was \$900,000 as of December 31, 2025 and 2024. The deposit is not insured by the NCUSIF. Interest on the deposit is paid quarterly based on available earnings at interest rates approved by Corporate One's board of directors. The Credit Union holds \$87,782 and \$98,735 in Federal Agriculture Mortgage stock as of December 31, 2025 and 2024, respectively, acquired through another financial institution.

In 2020, the Credit Union became a member of the NCUA Central Liquidity Facility, which required a stock purchase determined by asset size. The Credit Union held \$18,137,718 and \$17,609,617 of stock at December 31, 2025 and 2024, respectively. The Credit Union has the ability to borrow money from the NCUA via the Central Liquidity Facility, which is an instrument of monetary policy that allows eligible institutions to borrow money from the NCUA to meet temporary shortages of liquidity. The interest rate for advances will be the borrowing rate in effect on the date of the borrowings. The Credit Union has no borrowings outstanding as of December 31, 2025 or 2024.

Loans Held for Sale

Loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated fair value in the aggregate. Net unrealized losses, if any, are recognized in a valuation allowance by charges to income.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Credit Union, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of the right) to pledge or exchange the transferred assets, and (3) the Credit Union does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Loans

The Credit Union grants mortgage, commercial, and consumer loans to members. A substantial portion of the loan portfolio is represented by loans throughout the State of Michigan and Illinois. The ability of the Credit Union's debtors to honor their contracts is dependent upon the real estate and general economic conditions in this area.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding unpaid principal balances adjusted for charge offs, the allowance for credit losses, and any deferred fees or costs on originated loans. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the related loan's yield using the interest method.

The accrual of interest on loans is discontinued at the time the loan is 90 days delinquent unless the credit is well secured and in process of collection. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. Any interest payments received on nonaccrual loans are accounted for as a reduction to the unpaid principal balance of the nonaccrual loan for financial reporting purposes. If a loan is returned to accrual, the interest payments previously received continue to be reported as a reduction of the unpaid principal balance until the loan is paid off, at which time the interest payments are recognized in interest income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Allowance for Credit Losses

An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the loans. The Credit Union collectively evaluates notes receivable to determine the allowance for credit losses based on portfolio performance, collateral values, and remaining lives. The Credit Union elected not to include accrued interest receivable in the calculation of expected credit losses.

Loans that do not share similar risk characteristics with other loans are evaluated individually. When repayment of collateral is expected to be dependent on the operation or sale of the collateral, expected credit losses are based on the fair value of the collateral as of the reporting date.

The Credit Union calculates the allowance for credit losses using an expected loss model that considers the Credit Union's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Credit Union considers trends in unemployment rates, housing values, and member behavior when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. Notes are considered delinquent if the repayment terms are not met.

Foreclosed Assets

Assets acquired through, or in lieu of, loan foreclosure are held for sale and initially recorded at the fair value of the assets, less estimated costs to sell, through a charge to the allowance for loan losses, if necessary. Subsequent to foreclosure, valuations are periodically performed by management and write downs required by changes in estimated fair value are charged against earnings through a valuation allowance and reported in other noninterest expenses. The carrying value of foreclosed assets, included in other assets on the consolidated statement of financial condition, was \$349,371 and \$360,365 as of December 31, 2025 and 2024, respectively.

Premises and Equipment

Land and land improvements are carried at cost. Buildings and equipment are carried at cost, less accumulated depreciation, computed on the straight line method over the estimated useful lives of the assets. The cost of leasehold improvements is amortized using the straight line method over the shorter of the lease term or the life of the leasehold improvements.

Goodwill

The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. Goodwill is not amortized but rather is assessed at least on an annual basis for impairment.

No impairment charge was recognized during the years ended December 31, 2025 and 2024.

Core Deposit Intangible

Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight line method over the estimated useful lives of the assets. The core deposit intangible is amortized over a period between 2 and 10 years. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. No impairment charge was recognized during the years ended December 31, 2025 and 2024.

Employee Benefit Funding Assets

The Credit Union has purchased life insurance policies on certain key officers. Business-owned life insurance is recorded at its cash surrender value or the amount that can be realized upon immediate liquidation. The earnings from these policies are used to offset employee benefit expense.

NCUSIF Deposit

The deposit in the National Credit Union Share Insurance Fund is in accordance with NCUA regulations, which require the maintenance of a deposit by each insured credit union in an amount equal to 1 percent of its insured shares. The deposit would be refunded to the Credit Union if its insurance coverage is terminated, it converts to insurance coverage from another source, or the operations of the fund are transferred from the NCUA board.

Other Assets

The Credit Union has entered into an agreement and granted loans to fund life insurance premium payments for certain key employees. The loans are nonrecourse and are collateralized by the assignment of the respective life insurance policies. The policies are owned by the executive, and the key employee has sole control over the listed beneficiaries. The total value of the loans included in other assets was

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 2 — Significant Accounting Policies (continued)

\$24,837,092 and \$24,689,960 at December 31, 2025 and 2024, respectively. The key employees may use other funds to pay back the loan; however, the split death benefit of the life insurance policy is intended to be the primary source of repayment. At December 31, 2025 and 2024, the cash surrender value of the life insurance contracts securing the loan totaled \$24,837,092 and \$24,689,960, respectively.

Members' and Nonmembers' Share and Savings Accounts

Members' shares are subordinated to all other liabilities of the Credit Union upon liquidation. Interest on members' share accounts is based on the available earnings at the end of an interest period and is not guaranteed by the Credit Union. Interest rates on members' share accounts are set by management and approved by the board of directors based on an evaluation of current and future market conditions.

Nonmembers' shares include negotiated brokered certificates of deposit and accounts from acquired institutions' customers who have not yet opted in to credit union membership. The brokered certificates of deposit are issued in a variety of amounts, although always less than or equal to \$250,000.

Other Comprehensive Income

Accounting principles generally require that recognized revenue, expenses, gains, and losses be included in net income. Certain changes in assets and liabilities, however, such as unrealized gains and losses on available for sale securities and amounts recognized related to postretirement benefit plans (gains and losses, prior service costs, and transition assets or obligations), are reported as a direct adjustment to the equity section of the consolidated statement of financial condition. Such items, along with net income, are considered components of comprehensive income. For the years ended December 31, 2025 and 2024, accumulated other comprehensive losses were attributable to \$16,354,353 and \$33,810,801 of unrealized losses on available for sale securities and \$4,554,414 and \$8,867,562 of unrealized gains on the postretirement benefit plan, respectively.

Services Charges and Fees

Charges to members for transaction based account maintenance and overdraft services are recognized at the time of the transaction when the performance obligation has been fulfilled. Account maintenance fees and account analysis fees are earned over the course of a month,

representing the period of the performance obligation, and are recognized monthly. Interchange fees from cardholder transactions conducted through the card payment network are charged when cardholders use the card to conduct point of sale transactions, are transaction based, and are recognized with the processing of the transaction.

Other noninterest income primarily consists of fees from consulting, commercial printing, and direct mail services offered through investments in CUSOs described in Note 1. Income is recognized at the time the performance obligation has been fulfilled.

Income Taxes

The Credit Union is exempt, by statute, from federal and state income taxes.

Desk Drawer Foundation is a not for profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by DDF and recognize a tax liability if DDF has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS) or other applicable taxing authorities. Management has analyzed the tax positions taken by DDF and has concluded that, as of December 31, 2025 and 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. DDF is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Reseda Group, LLC is a wholly owned limited liability company and is considered a disregarded entity for tax purposes.

Loan and Other Commitments and Related Financial Instruments

Financial instruments include off balance sheet credit instruments, such as commitments to make loans and business letters of credit, issued to meet member financing needs. The face amount for these items represents the exposure to loss before considering member collateral or ability to repay. Such financial instruments are recorded when they are funded. The Credit Union maintains an allowance for credit losses on unfunded loan commitments. The allowance is determined using a methodology similar to that used to determine the allowance

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

for credit losses on loans, modified to include an estimation of the probability of funding.

Reseda Group, LLC has an outstanding commitment of \$27,711,615 at December 31, 2025, to fund future capital calls in relation to certain CUSO investments. Additional capital calls of \$2,060,000 have been made since December 31, 2025.

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 are such matters that will have a material effect on the consolidated financial statements at December 31, 2025 and 2024.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including February 13, 2026, which is the date the consolidated financial statements were available to be issued.

Note 3 — Investment Securities

The fair value of marketable securities at December 31 is as follows:

	2025	2024
Marketable securities	\$ 6,468,359	\$ 7,025,505

For the year ended December 31, 2025, there was a total of \$706,040 of net gains on marketable securities, recognized in the consolidated statement of income, which includes \$89,272 of net unrealized losses and \$795,312 in realized gains. For the year ended December 31, 2024, there was a total of \$764,656 in net gains on marketable securities recognized in the consolidated statement of income, which includes \$741,375 in net unrealized gains and \$23,281 in realized gains

The amortized cost and fair value of available for sale and held to maturity securities and gross unrealized gains and losses recognized in accumulated and other comprehensive loss at December 31 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Allowance for Credit Losses
2025					
Available for Sale:					
U.S. government and federal agency obligations	\$ 53,682,481	\$ 26,358	\$ (337,790)	\$ 53,371,049	\$ —
Mortgage-backed securities — Residential	413,874,960	2,608,173	(17,809,256)	398,673,877	—
SBA loan pools	21,451,066	96,502	(358,509)	21,189,059	—
Other debt securities	22,677,496	368,546	(269,486)	22,776,556	—
Subordinated debt securities	9,000,000	398,350	(680,000)	8,718,350	—
Municipal bonds	35,392,478	188,711	(585,952)	34,995,237	—
Total available for sale	\$ 556,078,481	\$ 3,686,640	\$ (20,040,993)	\$ 539,724,128	\$ —
Held to maturity — Municipal bonds	\$ 8,170,145	\$ 135,196	\$ (80,455)	\$ 8,224,886	\$ 8,170

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 3 — Investment Securities (continued)

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Allowance for Credit Losses
2024					
Available for Sale:					
U.S. government and federal agency obligations	\$ 214,407,875	\$ —	\$ (5,532,688)	\$ 208,875,187	\$ —
Mortgage-backed securities — Residential	240,359,636	288,765	(24,420,896)	216,227,505	—
SBA loan pools	30,147,795	99,095	(568,383)	29,678,507	—
Other debt securities	20,760,521	52,791	(782,247)	20,031,065	—
Subordinated debt securities	9,000,000	—	(1,335,000)	7,665,000	—
Municipal bonds	36,565,918	64,316	(1,676,554)	34,953,680	—
Total	\$ 551,241,745	\$ 504,967	\$ (34,315,768)	\$ 517,430,944	\$ —
Held to maturity — Municipal bonds	10,835,028	121,800	(130,072)	10,826,756	10,835

At December 31, 2025 and 2024, securities with a carrying value of approximately \$421,537,000 and \$407,695,000, respectively, were pledged as collateral to secure borrowed funds, and a security with a carrying value of approximately \$4,904,000 and \$5,000,000, respectively, was pledged to the discount window. At December 31, 2025 and 2024, securities with a carrying value of approximately \$43,064,000 and \$38,618,000, respectively, were pledged as collateral to secure municipal deposit accounts.

The amortized cost and fair value of investment securities by contractual maturity at December 31, 2025, are as follows:

	Available for Sale		Held to Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 57,333,433	\$ 56,268,977	\$ 2,536,594	\$ 2,552,250
Due in one through five years	27,814,836	28,153,755	4,116,551	4,180,856
Due in five years through ten years	28,911,355	28,712,269	1,227,000	1,234,453
Due after ten years	6,692,831	6,726,191	290,000	257,327
Total	120,752,455	119,861,192	8,170,145	8,224,886
Mortgage-backed securities — Residential	413,874,960	398,673,877	—	—
SBA loan pools	21,451,066	21,189,059	—	—
Total	\$ 556,078,481	\$ 539,724,128	\$ 8,170,145	\$ 8,224,886

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Proceeds from sales of available for sale investment securities were \$693,628, gross realized gains were \$15,573, and gross realized losses were \$328 for the year ended December 31, 2025. Proceeds from sales of investment securities were \$3,788,650, gross realized gains were \$318,469, and gross realized losses were \$321,381 for the year ended December 31, 2024.

Information pertaining to investment securities with gross unrealized losses at December 31, 2025 and 2024, aggregated by investment category and length of time that individual securities have been in a continuous loss position, is as follows:

	LESS THAN 12 MONTHS		12 MONTHS OR GREATER	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
2025				
Available for Sale:				
U.S. government and federal agency obligations	\$ (111)	\$ 437,214	\$ (337,679)	\$ 47,087,823
Mortgage-backed securities — Residential	(213,023)	64,486,033	(17,596,233)	109,533,603
SBA loan pools	(6,789)	2,421,107	(351,720)	12,088,706
Other debt securities	(2,451)	677,310	(267,035)	8,506,041
Subordinated debt	—	—	(680,000)	3,320,000
Municipal bonds	(28,124)	5,609,884	(557,828)	18,467,812
Total available for sale	\$ (250,498)	\$ 73,631,548	\$ (19,790,495)	\$ 199,003,985
Held to maturity — Municipal bonds	\$ —	\$ —	\$ (80,455)	\$ 1,753,545
Total	(250,498)	73,631,548	(19,870,950)	200,757,530
2024				
Available for Sale:				
U.S. government and federal agency obligations	\$ (113,636)	\$ 7,009,253	\$ (5,419,052)	\$ 201,865,934
Mortgage-backed securities — Residential	(659,625)	65,087,021	(23,761,271)	113,987,916
SBA loan pools	(87,647)	6,358,992	(480,736)	13,248,770
Other debt securities	(49,413)	3,197,031	(732,834)	11,961,256
Subordinated debt	(275,000)	4,725,000	(1,060,000)	2,940,000
Municipal bonds	(1,676,554)	9,582,423	—	—
Total available for sale	\$ (2,861,875)	\$ 95,959,720	\$ (31,453,893)	\$ 344,003,876
Held to maturity — Municipal bonds	(130,072)	3,121,337	—	—
Total	\$ (2,991,947)	\$ 99,081,057	\$ (31,453,893)	\$ 344,003,876

Unrealized losses on investment securities have not been recognized into income because the issuers' bonds are of high credit quality, the Credit Union has the intent and ability to hold the securities for the foreseeable future, and the declines in fair value are primarily due to increased market interest rates and market volatility. The fair values are expected to recover as the bonds approach their maturity dates. There are 350 and 560 investment securities in an unrealized loss position at December 31, 2025 and 2024, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 4 — Loans and Allowance for Credit Losses

A summary of the balances of loans is as follows:

	2025	2024
Consumer Mortgage Business	\$ 3,073,349,874	\$ 3,081,662,661
	2,466,099,084	2,363,700,220
	946,776,446	877,094,581
Total loans	6,486,225,404	6,322,457,462
Less allowance for credit losses	82,445,001	59,721,505
Plus net deferred loan costs	8,537,736	3,899,117
Net loans	\$ 6,412,318,139	\$ 6,266,635,074

In the ordinary course of business, the Credit Union has granted loans to principal officers and directors and their affiliates amounting to approximately \$4,754,000 and \$3,357,000 as of the years ended December 31, 2025 and 2024, respectively.

The Credit Union's activity in the allowance for credit losses for the years ended December 31, 2025 and 2024, by loan segment, is summarized below:

	YEAR ENDED DECEMBER 31, 2025				
	Beginning Balance	Charge-offs	Recoveries	Provision	Ending Balance
Allowance for credit losses					
Consumer:					
Secured	\$ 19,111,590	\$ (21,108,577)	\$ 2,410,361	\$ 29,990,940	\$ 30,404,314
Unsecured	33,171,141	(29,401,411)	3,548,782	33,681,226	40,999,738
Other	4,043,365	(3,227,406)	759,354	4,041,361	5,616,674
Mortgage:					
First mortgages	1,124,860	—	—	85,581	1,210,441
Home equity	140,949	(10,026)	3,561	32,357	166,841
Business:					
Visa and commercial vehicle	319,227	(277,611)	9,067	363,824	414,507
Other business loans	1,810,373	(230,827)	20,216	2,032,724	3,632,486
Total	\$ 59,721,505	\$ (54,255,858)	\$ 6,751,341	\$ 70,228,013	\$ 82,445,001

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

	YEAR ENDED DECEMBER 31, 2024				
	Beginning Balance	Charge-offs	Recoveries	Provision	Ending Balance
Allowance for credit losses					
Consumer:					
Secured	\$ 9,885,047	\$ (15,157,616)	\$ 1,528,509	\$ 22,855,650	\$ 19,111,590
Unsecured	22,192,311	(26,664,587)	1,753,770	35,889,647	33,171,141
Other	2,552,726	(3,180,506)	727,635	3,943,510	4,043,365
Mortgage:					
First mortgages	1,142,550	(20,785)	—	3,095	1,124,860
Home equity	73,383	(33,000)	105,026	(4,460)	140,949
Business:					
Visa and commercial vehicle	316,762	(280,879)	8,614	274,730	319,227
Other business loans	1,599,878	(878,783)	509,075	580,203	1,810,373
Total	\$ 37,762,657	\$ (46,216,156)	\$ 4,632,629	\$ 63,542,375	\$ 59,721,505

Credit Quality Disclosures

The Credit Union categorizes each loan into credit risk categories based on the contractual aging status of the loan and payment activity. Such assessments are completed at the end of each reporting period.

The following tables present the amortized cost basis of loans by credit quality indicator and class as of December 31, 2025 and 2024. Performing loans are less than two months past due and nonperforming loans are greater than 60 days or more past due as of December 31, 2025 and 2024.

	DECEMBER 31, 2025			DECEMBER 31, 2024		
	Performing	Nonperforming	Total	Performing	Nonperforming	Total
Consumer:						
Secured	\$ 2,054,722,309	\$ 33,247,281	\$ 2,087,969,590	\$ 2,118,653,511	\$ 29,521,511	\$ 2,148,175,022
Unsecured	795,342,094	15,549,857	810,891,951	722,286,890	11,329,276	733,616,166
Other	186,683,963	3,090,825	189,774,788	209,938,831	2,395,745	212,334,576
Mortgage:						
First mortgages	2,089,736,991	8,428,689	2,098,165,680	2,039,637,791	6,909,169	2,046,546,960
Home equity	362,348,030	1,543,537	363,891,567	309,868,381	1,367,905	311,236,286
Business:						
Visa and commercial vehicle	20,760,029	213,944	20,973,973	18,924,169	113,148	19,037,317
Other business loans	910,096,338	12,999,253	923,095,591	852,146,779	3,263,473	855,410,252
Total	\$ 6,419,689,754	\$ 75,073,386	\$ 6,494,763,140	\$ 6,271,456,352	\$ 54,900,227	\$ 6,326,356,579

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 4 — Loans and Allowance for Credit Losses (continued)

The Credit Union has certain nonperforming loans considered to be collateral dependent. The amortized cost of these loans are approximately \$21,200,000 and \$7,600,000 at December 31, 2025 and 2024, respectively, and are secured by commercial or residential real estate.

For business loans, the Credit Union also categorizes each loan into credit risk categories based on current financial information, overall debt service coverage, comparison against industry averages, collateral coverage, historical payment experience, and current economic trends. The Credit Union uses the following definitions for credit risk ratings for business loans:

Acceptable

Credits not covered by the below definitions are pass credits, which are not considered to be adversely rated.

Special Mention

Loans classified as special mention, or watch credits, have a potential weakness or weaknesses that deserve management's close attention. If left uncorrected, these

potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard

Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution may sustain some loss if the deficiencies are not corrected.

Doubtful

Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristics that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Business credit cards and commercial vehicle loans were not subject to risk rating as of December 31, 2024.

The following tables present the amortized cost basis of business loans by credit quality indicator as of December 31, 2025 and 2024:

	Not Graded	Acceptable	Special Mention	Substandard	Doubtful	Total
2025						
Business loans	\$ 387,965	\$ 876,480,657	\$ 42,592,059	\$ 14,716,646	\$ 9,892,237	\$ 944,069,564
2024						
Business loans	\$ 19,094,748	\$ 751,489,068	\$ 80,709,679	\$ 23,154,074	\$ —	\$ 874,447,569

Other business loans rated as doubtful in the table above are considered to be collateral dependent and presented at fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Age Analysis of Past-due Loans

The Credit Union's age analysis of past due loans at December 31, 2025 and 2024, by loan segment and class, is summarized below:

	30-59 Days Past Due	60-89 Days Past Due	90 or More Days	Total	Current	Total Loans
2025						
Consumer:						
Secured	\$ 31,728,804	\$ 12,239,543	\$ 21,007,738	\$ 64,976,085	\$ 2,022,993,505	\$ 2,087,969,590
Unsecured	11,702,118	4,332,126	11,217,731	27,251,975	783,639,976	810,891,951
Other	2,744,473	1,035,016	2,055,809	5,835,298	183,939,490	189,774,788
Mortgage:						
First mortgages	10,291,240	4,525,918	3,902,771	18,719,929	2,079,445,751	2,098,165,680
Home equity	2,352,851	918,130	625,407	3,896,388	359,995,179	363,891,567
Business:						
Visa and commercial vehicle	217,456	88,261	125,683	431,400	20,542,573	20,973,973
Other business loans	9,826,779	72,769	12,926,484	22,826,032	900,269,559	923,095,591
Total	\$ 68,863,721	\$ 23,211,763	\$ 51,861,623	\$ 143,937,107	\$ 6,350,826,033	\$ 6,494,763,140
2024						
Consumer:						
Secured	\$ 30,250,192	\$ 11,304,074	\$ 18,217,437	\$ 59,771,703	\$ 2,088,403,319	\$ 2,148,175,022
Unsecured	8,835,926	3,177,289	8,151,987	20,165,202	713,450,964	733,616,166
Other	2,173,172	1,192,182	1,203,563	4,568,917	207,765,659	212,334,576
Mortgage:						
First mortgages	8,043,371	2,986,559	3,922,610	14,952,540	2,031,594,420	2,046,546,960
Home equity	1,904,635	702,437	665,468	3,272,540	307,963,746	311,236,286
Business:						
Visa and commercial vehicle	133,988	36,493	76,655	247,136	18,790,181	19,037,317
Other business loans	858,226	58,747	3,204,726	4,121,699	851,288,553	855,410,252
Total	\$ 52,199,510	\$ 19,457,781	\$ 35,442,446	\$ 107,099,737	\$ 6,219,256,842	\$ 6,326,356,579

There were no loans past due greater than 90 days and accruing interest as of December 31, 2025 and 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 4 — Loans and Allowance for Credit Losses (continued)

Nonaccrual Loans

The Credit Union's loans on nonaccrual status at December 31, 2025 and 2024, by loan segment and class, are summarized below:

	2025			2024		
	Nonaccrual Loans with No ACL	Total Nonaccrual Loans	Interest Income Recognized During the Period on Nonaccrual Loans	Nonaccrual Loans with No ACL	Total Nonaccrual Loans	Interest Income Recognized During the Period on Nonaccrual Loans
Consumer:						
Secured	\$ —	\$ 21,007,738	\$ —	\$ —	\$ 18,217,437	\$ —
Unsecured	—	11,217,731	—	—	8,151,987	—
Other	—	2,055,809	—	—	1,203,563	—
Mortgage:						
First mortgages	—	3,902,771	—	—	3,922,610	—
Home equity	—	625,407	—	—	665,468	—
Business:						
Visa and commercial vehicle	—	125,683	—	—	76,655	—
Other business loans	—	12,926,484	—	—	3,204,726	—
Total	\$ —	\$ 51,861,623	\$ —	\$ —	\$ 35,442,446	\$ —

As of January 1, 2024, there were \$13,227,336 consumer secured, \$5,935,788 consumer unsecured, \$1,030,227 consumer other, \$3,519,872 first mortgages, \$404,814 home equity, \$22,614 Visa and commercial vehicle, and \$444,463 other business loans on nonaccrual status.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Modifications

The following tables present the amortized cost basis as of December 31, 2025 and 2024, of the loans modified to borrowers experiencing financial difficulty disaggregated by class of financing receivable and type of concession granted during the reporting period:

	DECEMBER 31, 2025			
	Other Than Insignificant Payment Delays		Other Than Insignificant Term Extensions	
	Amortized Cost Basis	Percent of Total Class of Financing Receivable	Amortized Cost Basis	Percent of Total Class of Financing Receivable
Consumer:				
Secured	\$ —	— %	\$ 14,312,946	0.69 %
Unsecured	2,637,107	0.33	3,274,811	0.40
Other	—	—	1,599,568	0.84
Mortgage:				
First mortgages	1,747,411	0.08	—	—
Home equity	535,231	0.15	—	—
Business — other business loans	248,975	0.03	4,961,046	0.54
Total	\$ 5,168,724	0.59 %	\$ 24,148,371	2.47 %

	DECEMBER 31, 2024			
	Other Than Insignificant Payment Delays		Other Than Insignificant Term Extensions	
	Amortized Cost Basis	Percent of Total Class of Financing Receivable	Amortized Cost Basis	Percent of Total Class of Financing Receivable
Consumer:				
Secured	\$ —	— %	\$ 10,295,428	0.48 %
Unsecured	271,063	0.04	1,831,379	0.25
Other	—	—	627,686	0.30
Mortgage:				
First mortgages	806,269	0.04	—	—
Home equity	28,641	0.01	—	—
Business:				
Visa and commercial vehicle	31,212	0.16	—	—
Other business loans	—	—	884	—
Total	\$ 1,137,185	0.25 %	\$ 12,755,377	1.03 %

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 4 — Loans and Allowance for Credit Losses (continued)

The following tables present the financial effect by type of modification made to borrowers experiencing financial difficulty and class of financing receivable:

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Other Than Insignificant Payment Delays	Other Than Insignificant Term Extensions
Consumer — Secured	—	<p>Provided reduced payments or postponed payments with the reductions being added to the loan term.</p> <p>Alternatively, provided a permanent monthly payment reduction that may have extended the term of the loan up to 12 months, as part of a third party debt management plan with the borrowers.</p>
Consumer — Unsecured	<p>Provided reduced payments or postponed payments with the reductions being added to the loan term.</p>	<p>Provided reduced payments or postponed payments with the reductions being added to the loan term.</p> <p>Alternatively, provided a permanent monthly payment reduction that may have extended the term of the loan up to 12 months, as part of a third party debt management plan with the borrowers.</p>
Consumer — Other	—	<p>Provided reduced payments or postponed payments with the reductions being added to the loan term.</p> <p>Alternatively, provided a permanent monthly payment reduction that may have extended the term of the loan up to 12 months, as part of a third party debt management plan with the borrowers.</p>
First mortgages	<p>Provided reduced payments or postponed payments with the reductions due at the original maturity date.</p>	—
Home equity	<p>Provided reduced payments or postponed payments with the reductions due at the original maturity date.</p>	—
Business — Visa and commercial vehicle	<p>Provided for reduced payments for up to 3 months, with the current reductions required later in the term of the debt, in some cases still requiring interest-only payments during the deferral period.</p>	—
Other business loans	<p>Provided for reduced payments for up to 3 months, with the current reductions required later in the term of the debt, in some cases still requiring interest-only payments during the deferral period.</p>	<p>Provided for term extensions up to 12 months, deferring either the required regularly monthly payments to be added to the end of the contractual loan term, or deferring the balloon payment at scheduled maturity up to 12 months.</p>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

The following tables present the period end amortized cost basis of financing receivables that have had a payment default during the period and were modified in the 12 months before default to borrowers experiencing financial difficulty:

	DECEMBER 31, 2025		DECEMBER 31, 2024	
	Other Than Insignificant Payment Delays	Other Than Insignificant Term Extensions	Other Than Insignificant Payment Delays	Other Than Insignificant Term Extensions
Consumer:				
Secured	\$ —	\$ 9,145,060	\$ —	\$ 4,739,529
Unsecured	556,700	1,688,282	297,791	644,235
Other	—	688,879	—	177,059
Mortgage:				
First mortgages	1,026,278	—	546,830	—
Home equity	410,872	25,925	5,988	—
Business:				
Visa and commercial vehicle	—	—	33,825	—
Other business loans	33,267	—	28,915	1,769
Total	\$ 2,027,117	\$ 11,548,146	\$ 913,349	\$ 5,562,592

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 4 — Loans and Allowance for Credit Losses (continued)

The following tables present the period end amortized cost basis of loans that have been modified in the past 12 months to borrowers experiencing financial difficulty by payment status and class of receivable:

	DECEMBER 31, 2025			
	Current	30-89 Days	Greater Than 90 Days	Total
Consumer:				
Secured	\$ 9,617,224	\$ 3,588,747	\$ 1,106,975	\$ 14,312,946
Unsecured	4,681,861	749,566	480,491	5,911,918
Other	978,465	327,153	293,950	1,599,568
Mortgage:				
First mortgages	1,257,415	489,996	—	1,747,411
Home equity	228,490	306,741	—	535,231
Business				
Other business loans	5,176,754	33,267	—	5,210,021
Total	\$ 21,940,209	\$ 5,495,470	\$ 1,881,416	\$ 29,317,095

	DECEMBER 31, 2024			
	Current	30-89 Days	Greater Than 90 Days	Total
Consumer:				
Secured	\$ 7,268,269	\$ 2,136,090	\$ 891,069	\$ 10,295,428
Unsecured	1,681,685	249,823	170,934	2,102,442
Other	420,998	192,360	14,328	627,686
Mortgage:				
First mortgages	681,586	66,151	58,532	806,269
Home equity	28,641	—	—	28,641
Business:				
Visa and commercial vehicle	31,212	—	—	31,212
Other business loans	—	—	884	884
Total	\$ 10,112,391	\$ 2,644,424	\$ 1,135,747	\$ 13,892,562

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 5 — Premises and Equipment

A summary of the cost and accumulated depreciation of premises and equipment is as follows:

	2025	2024
Land	\$ 25,684,136	\$ 25,435,041
Buildings and building improvements	299,000,060	255,801,659
Furniture, fixtures, equipment, and software	82,993,577	60,943,612
Leasehold improvements	30,310,784	24,578,453
Software development in progress	519,403	457,501
Construction in progress	54,240	51,036,728
Leased space — Right of use	12,918,399	13,487,214
Total cost	451,480,599	\$ 431,740,208
Accumulated depreciation	(94,382,794)	(68,121,982)
Net premises and equipment	\$ 357,097,805	\$ 363,618,226

Depreciation and amortization expense for 2025 and 2024 totaled approximately \$29,015,000 and \$19,825,000, respectively.

The Credit Union enters into leases in the normal course of business primarily for office operations, locations, and branches. The Credit Union's leases have remaining terms ranging from 1 to 18 years (with a weighted average remaining term of 8.24 years), some of which include renewal or termination options to extend the lease for up to 20 years and some of which include options to terminate the lease within 1 year. The right of use asset and related lease liability have been calculated using discount rates ranging from 1.51 percent to 5.34 percent, with a weighted average discount rate of 3.81 percent.

The land on which a branch location is located is leased from Michigan State University for \$1. The lease expires in 2110.

As of December 31, 2025 and 2024, the Credit Union recognized right of use assets of \$12,918,399 and \$13,487,214, respectively, related to operating leases within property and equipment on the consolidated statement of financial condition. As of December 31, 2025 and 2024, the Credit Union recognized lease liabilities of \$13,640,322 and \$14,003,355, respectively, related to operating leases within other liabilities on the consolidated statement of financial condition. The Credit Union had no finance leases as of December 31, 2025 and 2024.

Rental expense for the years ended December 31, 2025 and 2024, for facilities leased under operating leases totaled \$2,368,759 and \$2,070,538, respectively.

Pursuant to the terms of noncancelable lease agreements in effect at December 31, 2025, pertaining to premises and equipment, future minimum rent commitments under various operating leases are as follows:

Years Ending	Amount	Years Ending	Amount
2026	\$ 2,504,856	2029	\$ 2,105,653
2027	2,224,943	2030	1,518,496
2028	2,181,767	Thereafter	6,355,605
Total			16,891,320
Less amount representing interest			(3,250,998)
Present value of net minimum lease payments			\$ 13,640,322

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 6 — Acquired Intangible Assets and Goodwill

Intangible assets of the Credit Union at December 31, 2025 and 2024, are summarized as follows:

	2025	
	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets — Core deposit intangible	\$ 5,607,179	\$ 1,278,157

	2024	
	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets — Core deposit intangible	\$ 5,607,179	\$ 481,872

Amortization expense for intangible assets totaled \$796,285 and \$481,872 for the years ended December 31, 2025 and 2024, respectively.

Estimated amortization expense for the years ending December 31 is as follows:

Years Ending	Amount	Years Ending	Amount
2026	\$ 713,285	2029	\$ 471,618
2027	471,618	2030	471,618
2028	471,618	Thereafter	1,729,265
Total			4,329,022

The recorded amounts of goodwill at December 31, 2025 and 2024 are as follows:

2025	2024
\$ 60,687,917	\$ 59,462,013

Note 7 — Members' and Nonmembers' Share and Savings Accounts

A summary of members' and nonmembers' share and savings accounts at December 31 is as follows:

	2025	2024
Regular shares	\$ 787,994,279	\$ 714,954,513
Share draft	820,571,300	825,602,100
Money market checking	242,509,816	193,278,844
Insured money management accounts	2,135,004,432	1,997,867,328
Business deposits	667,749,567	650,638,607
Share certificates	2,246,286,124	2,180,536,799
Total members' share and savings accounts	6,900,115,518	6,562,878,191
Nonmembers' deposits	10,031,647	38,116,760
Total members' and nonmembers' share and savings accounts	\$ 6,910,147,165	\$ 6,600,994,951

The NCUSIF insures members' shares and savings accounts. For the years ended December 31, 2025 and 2024, legislation provides minimum NCUSIF coverage of \$250,000 on member share accounts. This includes all account types, such as regular share, share draft, money market, money management, business, and certificates of deposit. The aggregate amount of time deposit accounts in denominations of \$250,000 or more at December 31, 2025 and 2024, were approximately \$446,954,000 and \$464,006,000, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

At December 31, 2025, scheduled maturities of members' share certificates and nonmembers' certificates are as follows:

Years Ending	Members' Share Certificates	Nonmembers' Certificates
2026	\$ 1,784,773,890	\$ 7,015,284
2027	173,187,279	—
2028	93,866,769	—
2029	113,173,605	—
2030	53,442,030	—
Thereafter	27,842,551	—
Total	\$ 2,246,286,124	\$ 7,015,284

In the normal course of business, the Credit Union's directors, supervisory committee members, and executive officers maintain share accounts. The total amount of these shares at December 31, 2025 and 2024, was approximately \$5,783,000 and \$5,151,000, respectively.

Note 8 — Borrowings

The Credit Union has combined advances from the Federal Home Loan Banks of Indianapolis and Chicago totaling \$673,500,000 and \$698,500,000 at December 31, 2025 and 2024, respectively. The advances require monthly interest payments based on the rate offered at the time each advance was taken. The interest rates range from 0.00 percent to 4.69 percent on balances outstanding, with a weighted average interest rate of 3.80 percent at December 31, 2025. The interest rates ranged from 0.00 to 5.24 percent on balances outstanding, with a weighted average interest rate of 3.76 percent at December 31, 2024. The advances are collateralized by mortgage loans and investment securities of approximately \$2.05 billion and \$2.06 billion as of December 31, 2025 and 2024, respectively. The advances are subject to prepayment penalties and the provisions and conditions of the credit policy of the FHLB.

The Credit Union has \$884,447,634 and \$857,480,285 in additional borrowing capacity based on collateral pledged with the Federal Home Loan Bank of Indianapolis at December 31, 2025 and 2024, respectively.

The Credit Union established access to the Federal Reserve Bank Term Funding Program in 2023. The Bank Term Funding Program was created to provide access to liquidity and offers terms up to one year. During 2024, the Credit Union advanced \$270,000,000 at an interest at a rate of 4.76 percent. The advances were paid off during 2024.

Future obligations of the advances are as follows at December 31, 2025:

Years Ending	Amount
2026	\$ 85,500,000
2027	126,500,000
2028	181,500,000
2029	200,000,000
2030	40,000,000
Thereafter	40,000,000
Total	\$ 673,500,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 9 — Lines of Credit

Under a line of credit agreement with Alloya Corporate Credit Union, the Credit Union has available borrowings of \$43,465,000 at December 31, 2025 and 2024. There were no amounts outstanding on the line of credit at December 31, 2025 and 2024. Alloya has a blanket pledge on all credit union assets as collateral for borrowings on this line of credit. Alloya rescinds any rights to qualifying assets pledged as collateral on the Federal Home Loan Bank of Indianapolis and Chicago advances. The Credit Union guaranteed \$10,000,000 on the line of credit on behalf of an entity invested through Reseda Group, LLC at December 31, 2025.

As of December 31, 2025 and 2024, the Credit Union has available borrowings of \$300,000,000 at Corporate Central Credit Union. This line of credit is secured by the Credit Union's deposits held at Corporate Central Credit Union. There were no amounts outstanding on the line of credit at December 31, 2025 and 2024.

The Credit Union also has access to discount window borrowings from the Federal Reserve Bank of Chicago. There is no specific borrowing limit or maturity/expiration

date for the relationship. The amount that can be borrowed is subject to full collateralization by the acceptable pledging of assets acceptable to the Federal Reserve Bank of Chicago. The interest rate for any discount window borrowings will be the published discount borrowing rate in effect on the date of the borrowing. The discount window borrowings are governed in accordance with the terms and conditions established in an agreement between the Credit Union and the Federal Reserve Bank of Chicago. There were no outstanding borrowings under this agreement at December 31, 2025 or 2024.

In 2020, the Credit Union established the ability to borrow money from the NCUA via the Central Liquidity Facility, which is an instrument of monetary policy that allows eligible institutions to borrow money from the NCUA to meet temporary shortages of liquidity. The interest rate for advances will be the borrowing rate in effect on the date of the borrowings. The Credit Union has no borrowings outstanding as of December 31, 2025 or 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 10 — Postretirement Benefit Plans

In 2020, the Credit Union amended the postretirement benefit plan to provide a stipend as reimbursement for health and dental insurance to eligible retirees and their existing spouses in addition to a \$5,000 death benefit to a designated beneficiary. Employees hired before December 31, 2009, and their existing spouse, are eligible for these benefits after retiring at age 62 with at least 15 years of service or at least 25 years of service without regard to age. Employees hired after January 1, 2010, will not be eligible for postretirement benefits. The Credit Union records postretirement benefits that require the accrual of expected costs of retiree benefits during the years that the employees render the necessary service to be entitled to receive such postretirement benefits of the plan.

Obligations and Funded Status

Change in accumulated postretirement benefit obligation:	Other Postretirement Benefits	
	2025	2024
Accumulated postretirement benefit obligation at beginning of year	\$ 5,017,591	\$ 6,995,445
Service cost	97,712	151,056
Interest cost	245,629	375,558
Amendments	—	(130,376)
Actuarial loss	12,140	(1,910,096)
Benefits paid	(338,949)	(463,996)
Accumulated postretirement benefit obligation at end of year	5,034,123	5,017,591
Change in plan assets:		
Fair value of plan assets at beginning of year	—	—
Employer contributions	294,984	290,198
Benefits paid	(294,984)	(290,198)
Fair value of plan assets at end of year	—	—
Funded status at end of year	\$ (5,034,123)	\$ (5,017,591)

Amounts recognized in the consolidated statement of financial condition consist of the following:

Postretirement benefit obligations	Other Postretirement Benefits	
	2025	2024
	\$ 5,034,123	\$ 5,017,591

Amounts recognized in accumulated other comprehensive loss consist of the following:

	Other Postretirement Benefits	
	2025	2024
Net loss	\$ (3,838,976)	\$ (4,762,554)
Unrecognized prior service cost	8,393,390	13,630,116
Total recognized in other comprehensive income	\$ 4,554,414	\$ 8,867,562

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 10 — Postretirement Benefit Plans (continued)

Components of net periodic benefit cost and other amounts recognized in other comprehensive income are as follows:

	Other Postretirement Benefits	
	2025	2024
Net periodic benefit cost:		
Service cost	\$ 97,712	\$ 151,056
Interest cost	245,629	375,558
Amortization of prior service cost	(5,236,726)	(5,209,439)
Amortization of actuarial loss included in net income	891,753	1,394,298
Net periodic benefit cost	(4,001,632)	(3,288,527)
Other changes in plan assets and benefit obligations recognized in other comprehensive income:		
Current year actuarial gain	(923,578)	(3,478,227)
Prior service cost	5,236,726	\$ 5,079,063
Total recognized in other comprehensive income	4,313,148	1,600,836
Total recognized in net periodic benefit cost and other comprehensive income	\$ 311,516	(1,687,691)

The service costs were included as a component of salaries and employee benefits on the consolidated statement of income. The other components of net periodic benefit cost are insignificant.

The estimated net loss and prior service credit for the postretirement benefit plan that will be amortized or accreted from accumulated other comprehensive loss into net periodic benefit cost over the next fiscal year are \$806,666 and \$5,236,726, respectively.

Weighted average assumptions used to determine net periodic benefit cost for the years ended December 31 are as follows:

	Other Postretirement Benefits	
	2025	2024
Discount rate	5.25 %	5.75 %

Weighted average assumptions used to determine benefit obligations at December 31 are as follows:

	Other Postretirement Benefits	
	2025	2024
Discount rate	5.25 %	5.25 %

Cash Flow

Contributions and Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid over the next 10 years. Expected contributions from the Credit Union are substantially the same as projected benefit payments.

Years Ending	Amount	Years Ending	Amount
2026	\$ 335,532	2029	\$ 327,738
2027	323,396	2030	328,608
2028	332,546	2031-2035	1,687,442
Total			3,335,262

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 11 — Retirement Plans

All full time and part time employees age 18 or older are eligible to contribute to the Credit Union's 401(k) plan. Employees may contribute up to 100 percent of their compensation (subject to IRS limits). Prior to May 1, 2025, employer contributions began upon hire with a vesting element tied to hours worked. The Credit Union contributed 2 percent of base compensation, regardless of participant contribution status, as well as 200 percent of the first 4 percent of base compensation that a participant contributed to the plan. Effective May 1, 2025, employee and employer contributions begin the first pay period of the month following date of hire with vesting tied to years of service. The Credit Union will match employee contributions up to 10 percent. The 401(k) plan expense was approximately \$7,818,000 and \$9,303,000 for 2025 and 2024, respectively. The administrative costs of the plan are paid from plan assets.

The Credit Union also has a 457(b) plan for certain key employees to allow these employees to defer income in excess of the 401(k) plan contribution limits. The Credit Union does not make any contributions to this plan.

Note 12 — Off-balance-sheet Activities

Credit-related Financial Instruments

The Credit Union is a party to credit related financial instruments with off balance sheet risk in the normal course of business to meet the financing needs of its members. These financial instruments include commitments to extend credit, standby letters of credit, and commercial letters of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated statement of financial condition.

The Credit Union's exposure to credit loss is represented by the contractual amount of these commitments. The Credit Union follows the same credit policies in making commitments as it does for on-balance-sheet instruments.

The Credit Union maintains an allowance for credit losses on unfunded loan commitments. The allowance is determined using a methodology similar to that used to determine the allowance for credit losses on loans, modified to include an estimation of the probability of funding. For the years ended December 31, 2025 and 2024, the Credit Union recorded a provision expense of approximately \$10,000 and a provision recovery for credit losses for unfunded commitments of \$445,000, respectively. At December 31, 2025 and 2024, the liability for credit losses on unfunded loan commitments included in other liabilities was approximately \$1,761,000 and \$1,751,000, respectively.

As of December 31, 2025 and 2024, the following financial instruments whose contract amounts represent credit risk were outstanding:

	2025	2024
Commitments to grant mortgage and consumer loans	\$ 80,465,000	\$ 75,825,000
Commitments to grant business loans	8,728,000	68,951,000
Unfunded commitments under lines of credit	1,694,065,000	1,566,702,000
Unfunded commitments under overdraft protection program	136,518,000	130,592,000

Commitments to extend credit are agreements to lend to a member as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The commitments for lines of credit may expire without being drawn upon. Therefore, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if it is deemed necessary by the Credit Union, is based on management's credit evaluation of the member.

Unfunded commitments under overdraft protection agreements are commitments for possible future extensions of credit to existing members. These lines of credit are collateralized and usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Credit Union is committed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 13 — Minimum Regulatory Capital Requirements

The Credit Union is subject to various regulatory capital requirements administered by the National Credit Union Administration. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional, discretionary actions by regulators that, if undertaken, could have a direct material effect on the Credit Union's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Credit Union must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off balance sheet items as calculated under generally accepted accounting practices. The Credit Union's capital amounts and net worth classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Credit Union to maintain minimum amounts and ratios (set forth in the following table) of net worth to total assets (as defined in the regulations). Under the regulations, a credit union is considered complex when it has more than \$500 million in assets. Complex credit unions are required to calculate a risk based capital (RBC) ratio, which establishes whether or not the Credit Union will be considered well capitalized under the regulatory framework. Management believes, as of December 31, 2025 and 2024, that the Credit Union meets all capital adequacy requirements to which it is subject.

As of December 31, 2025, the most recent notification from the NCUA categorized the Credit Union as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, a credit union must maintain minimum net worth and RBC ratio(s), as set forth in the following table. There are no conditions or events since the notification that management believes have changed the Credit Union's category.

The Credit Union's actual capital amounts and ratios, as of December 31, 2025 and 2024, are as follows:

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Actual	Ratio	Actual	Ratio	Actual	Ratio
As of December 31, 2025						
Net worth	\$ 706,476,923	8.43 %	\$ 502,562,345	6.00 %	\$ 586,322,736	7.00 %
RBC	668,096,011	11.16	478,722,960	8.00	598,403,700	10.00
As of December 31, 2024						
Net worth	680,857,274	8.48	483,000,000	6.00	564,000,000	7.00
RBC	620,756,142	10.82	458,868,751	8.00	573,585,938	10.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 14 — Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the consolidated financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Credit Union has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Credit Union's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following tables present information about the Credit Union's assets measured at fair value on a recurring basis at December 31, 2025 and 2024, and the valuation techniques used by the Credit Union to determine those fair values:

Assets Measured at Fair Value on a Recurring Basis at December 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2025
Marketable securities	\$ 6,468,359	\$ —	\$ —	\$ 6,468,359
Available-for-sale securities:				
U.S. government and federal agency obligations	—	53,371,049	—	53,371,049
Mortgage-backed securities — Residential	—	398,673,877	—	398,673,877
SBA loan pools	—	21,189,059	—	21,189,059
Other debt securities	—	22,776,556	—	22,776,556
Subordinated debt securities	—	8,718,350	—	8,718,350
Municipal bonds	—	34,995,237	—	34,995,237
Total available-for-sale securities	—	539,724,128	—	539,724,128
Total assets	\$ 6,468,359	\$ 539,724,128	\$ —	\$ 546,192,487

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 14 — Fair Value Measurements (continued)

Assets Measured at Fair Value on a Recurring Basis at December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2024
Marketable securities	\$ 7,025,505	\$ —	\$ —	\$ 7,025,505
Available-for-sale securities:				
U.S. government and federal agency obligations	—	208,875,187	—	208,875,187
Mortgage-backed securities — Residential	—	216,227,505	—	216,227,505
SBA loan pools	—	29,678,507	—	29,678,507
Other debt securities	—	20,031,065	—	20,031,065
Subordinated debt securities	—	7,665,000	—	7,665,000
Municipal bonds	—	34,953,680	—	34,953,680
Total available-for-sale securities	—	517,430,944	—	517,430,944
Total assets	\$ 7,025,505	\$ 517,430,944	\$ —	\$ 524,456,449

The Credit Union also has assets that, under certain conditions, are subject to measurement at fair value on a nonrecurring basis. These assets include individually evaluated loans and foreclosed assets. The Credit Union has estimated the fair values of these assets based primarily on Level 3 inputs. Collateral dependent individually evaluated loans are generally valued using the fair value of collateral provided by third party appraisals. These valuations include assumptions related to cash flow projections, discount rates, and recent comparable sales. Fair value of foreclosed assets is primarily based upon appraised value or management's estimate of the value. The numerical range of unobservable inputs for these valuation assumptions is not meaningful.

Assets Measured at Fair Value on a Nonrecurring Basis at December 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2025
Collateral dependent individually evaluated loans	\$ —	\$ —	\$ 19,654,752	\$ 19,654,752
Foreclosed assets	—	—	349,371	349,371

Assets Measured at Fair Value on a Nonrecurring Basis at December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2024
Collateral dependent individually evaluated loans	\$ —	\$ —	\$ 7,156,799	\$ 7,156,799
Foreclosed assets	—	—	360,365	360,365

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

Note 15 — Business Combinations

Gabriels Community Credit Union

On January 1, 2024, the Credit Union merged all of the assets and liabilities of Gabriels Community Credit Union into the Credit Union. The primary reason for the merger was the proximity of the branch locations acquired to current credit union members, as well as the potential growth opportunities. The assumed assets and liabilities were recorded at fair value. No consideration was paid in connection with the merger of Gabriels Community Credit Union.

The following table summarizes the merger date fair values of the assumed assets, liabilities, and equity.

Cash	\$ 1,502,446
Investments	633,753
Loans	22,558,093
Premises and equipment	1,785,000
NCUSIF deposit	287,463
Core deposit intangible	891,000
Other assets	156,479
Financial liabilities — Deposits	(25,710,925)
Other liabilities	(598,288)
Equity acquired in merger	(1,505,021)
Total	\$ —

Algonquin State Bank

On September 1, 2024, the Credit Union acquired all of the assets and liabilities of Algonquin State Bank. The assumed assets and liabilities were recorded at fair value. Consideration in the amount of \$20,845,350 was paid in connection with the acquisition of Algonquin State Bank. The primary reason for the acquisition was for potential growth opportunities in the state of Illinois.

The following table summarizes the acquisition date fair values of the assets acquired and liabilities assumed.

Cash	\$ 9,581,584
Investments	34,908,628
Loans	75,312,457
Premises and equipment	3,350,000
Core deposit intangible	2,489,595
Other assets	4,692,020
Financial liabilities — Deposits	(118,397,981)
Other liabilities	(170,530)
Total identifiable net assets	11,765,773
Goodwill	9,079,577
Total	\$ 20,845,350

McHenry Savings Bank

On September 1, 2024, the Credit Union acquired all of the assets and liabilities of McHenry Savings Bank. The assumed assets and liabilities were recorded at fair value. Consideration in the amount of \$43,486,064 was paid in connection with the acquisition of McHenry Savings Bank. The primary reason for the acquisition was for potential growth opportunities in the state of Illinois.

The following table summarizes the acquisition date fair values of the assets acquired and liabilities assumed.

Cash	\$ 4,851,136
Investments	54,556,123
Loans	215,607,976
Premises and equipment	4,860,000
Core deposit intangible	2,226,584
Other assets	3,784,686
Financial liabilities — Deposits	(214,379,534)
Borrowings	(63,381,658)
Other liabilities	(414,076)
Total identifiable net assets	7,711,237
Goodwill	35,774,827
Total	\$ 43,486,064

OUR MISSION

To provide superior service while assisting members and employees to achieve financial security, their goals, and ultimately, their **DREAMS.**



msufcu.org | oucreditunion.org | deskdrawerfoundation.org | resedagroup.com | alumnifi.org
collegiatecu.org | homeloans.msufcu.org | pillur.org | msufcu.org/trulyu



800-678-4968
3777 West Road, PO Box 1208,
East Lansing, MI 48826-1208

 Equal Housing Opportunity

Federally insured by NCUA