



Always By Your Side.

2025 ANNUAL REPORT



Michigan Educational
Credit Union



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+ Mission Statement

To provide members with quality,
comprehensive, cost effective
financial services



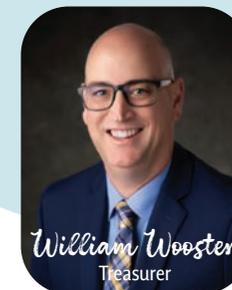
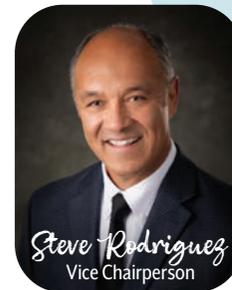
84th Annual Meeting

Wednesday,
April 22, 2026
7:00 p.m.
Business Meeting

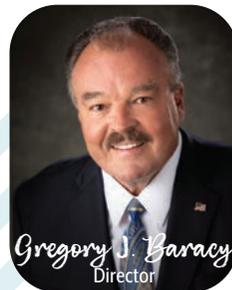
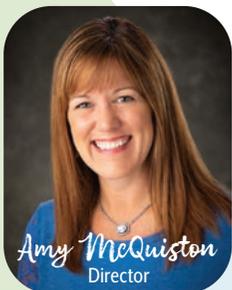
Schoolcraft College
Vistatech Center
18600 Haggerty Road
Livonia, MI 48152

Agenda

Brief Reports
Introductions and
Recognitions
Elections
Old Business
New Business
Door Prizes
Light Refreshments



Board of Directors



Report

from the
**Chairperson
of the Board**



During challenging and uncertain times like these, having stability in your life matters more than ever – something you can rely on when things get difficult. For more than 80 years, Michigan Educational Credit Union has supported its members, providing the strength and resources they need not only to get through tough moments, but to grow and succeed.

Nationally, MECU is recognized for its strength and stability, earning a 5-Star Superior rating for 34 consecutive years from BauerFinancial, the nation's premier credit union and bank rating firm. MECU has also achieved the distinguished "Best of Bauer Credit Union" designation, awarded to institutions that have maintained a 5-Star rating for 25 years or more. This honor places MECU among the strongest credit unions in the country, demonstrating excellence in capital strength, loan quality, financial stability, and overall performance.

Aside from financial strength, MECU displays its support by showing up – in the community, in the schools, and through sponsorships that are vital to the membership we serve. You may have seen us at local events, like the Livonia Home Show, the Diversity Expo in Royal Oak, or at several events in downtown Plymouth and at the Detroit Zoo. The MECU team was on hand at numerous school events too, sponsoring the P-CCS Mental Health & Wellness Fair, Northville's Parent Camp, district golf outings, welcome backs, and more.

As we look to the future, our commitment remains the same: to be a reliable financial partner for our members and a strong supporter of the communities we serve. On behalf of the Board of Directors, I extend my sincere thanks to our members for their continued trust and to the MECU team for their dedication and service. Together, we will continue building on our strong foundation – ensuring that Michigan Educational Credit Union remains a source of stability, support, and opportunity for many years to come.

Alonzo Glaze, Board Chairperson

Report

from the
President & CEO



I am honored to take the reins as the new President & CEO of Michigan Educational Credit Union. Although I just assumed this role in early 2026, I worked closely with my mentor and predecessor, Bob Sandercock, prior to his retirement to ensure a smooth transition with continued progress and stability for our Credit Union. In 2025, we remained financially strong while continuing to expand the products, services, and support available to those we serve.

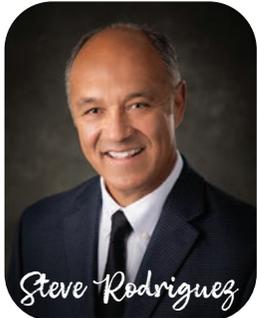
The numbers tell the story of a financially successful year, with 28% growth in net income and a 6% increase in assets. Leveraging a method that has been effective for us before, we focused on auto refinancing to boost loan activity, helping current members save on their loans and attracting new members to MECU. We maximized our efforts by running several auto loan refinancing campaigns during the year. Following the overhaul of our credit card program in 2023, we focused on introducing valuable features such as "buy now, pay later" options and special balance transfer rates. We also launched a series of bonus points promotions designed to drive increased card usage of our World Rewards Mastercard during key spending seasons.

Members rely on us for far more than just loans. MECU remains a secure place to save, with deposits insured by the NCUA. In 2025, we were proud to offer some of the most competitive share certificate rates in the local market. We also supported members in navigating an increasingly complex financial landscape through educational seminars hosted by MECU Financial, as well as free counseling and webinars provided by our financial wellness partners at GreenPath. Finally, we introduced a new partnership with Legal Karma to offer affordable Wills and Trusts to our membership.

My priority in the coming year is to build upon our solid foundation by enhancing the products and services we provide and exploring potential growth strategies. Together, we will continue to grow responsibly, innovate thoughtfully, and stay true to the cooperative principles that define our Credit Union.

Jeff Cusmano, President & Chief Executive Officer

Report from the Audit Committee

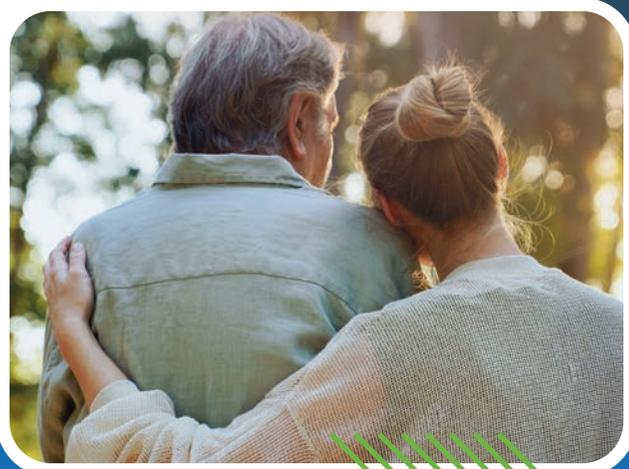


The primary responsibility of the Audit Committee is to ensure that the Credit Union is being managed soundly and that members' assets are being adequately safeguarded. The Audit Committee makes sure the Board of Directors and Credit Union management meet required financial reporting objectives and establish sufficient policies, practices and procedures to protect members' assets.

The committee engaged the Certified Public Accounting firm of Plante Moran to audit the Credit Union's financial statements for the year ended December 31, 2025. Plante Moran completed their 2025 audit of the Credit Union's financial statements and issued an unmodified opinion on February 11, 2026. The condensed financial information appearing in this report has been derived from those audited financial statements.

Based upon the annual financial statement audit, other regulatory and compliance audits, as well as our regular monitoring processes, the committee believes your Credit Union continues to be run in a safe and sound manner.

Steve Rodriguez, Audit Committee Chairperson



Balance Sheet

Michigan Educational Credit Union and Subsidiary
Consolidated Statements of Financial Condition
Years Ended December 31, 2024 and 2025

	December 2024	December 2025
ASSETS		
Cash and Cash Equivalents	\$ 130,980,590	\$ 99,983,943
Investment Securities – Available-for-Sale	377,092,405	470,078,048
Other Investments	987,853	1,025,692
Loans – Net of Allowance for Credit Losses	486,241,293	485,657,606
Premises and Equipment – Net	7,430,560	7,001,016
Accrued Interest Receivable	2,473,496	3,666,809
FHLB Stock	1,591,500	1,591,500
Corporate Capital	1,600,000	1,600,000
NCUSIF Deposit	8,861,766	9,180,318
Other Assets	11,802,248	11,562,687
TOTAL ASSETS	\$ 1,029,061,711	\$ 1,091,347,619

LIABILITIES & EQUITY

Members' Shares and Savings Accounts	\$ 923,174,007	\$ 964,823,461
Accrued and Other Liabilities	8,445,430	9,583,436
Undivided Earnings	122,719,561	127,374,580
Accumulated Other Comprehensive (Loss)	(25,277,287)	(10,433,858)
TOTAL LIABILITIES & MEMBERS' EQUITY	\$ 1,029,061,711	\$ 1,091,347,619

Income Statement

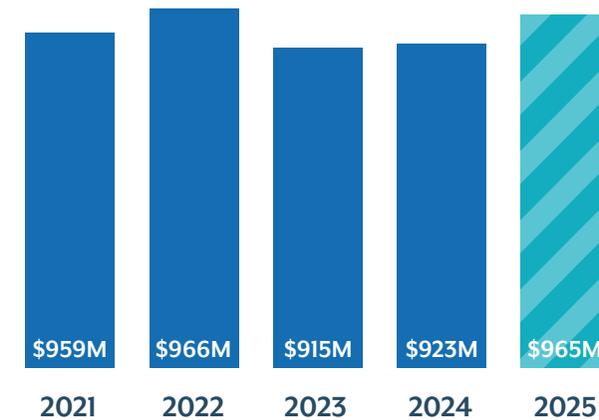
Michigan Educational Credit Union and Subsidiary
Consolidated Statements of Operations
Years Ended December 31, 2024 and 2025

	December 2024	December 2025
INTEREST INCOME		
Loans	\$ 24,470,912	\$ 25,349,810
Investment Securities	10,390,272	13,988,380
TOTAL INTEREST INCOME	\$ 34,861,184	\$ 39,338,190
INTEREST EXPENSE		
Members' Shares and Deposits	\$ 8,301,441	\$ 10,483,357
TOTAL INTEREST EXPENSE	8,301,441	10,483,357
NET INTEREST INCOME	26,559,743	28,854,833
Provisions for Credit Losses	710,000	610,000
Net Interest Income After Provision for Credit Losses	\$ 25,849,743	\$ 28,244,833
NON-INTEREST INCOME		
Interchange Fees and Service Charges	\$ 3,175,873	\$ 3,157,049
Other	992,625	771,145
TOTAL NON-INTEREST INCOME	\$ 4,168,498	\$ 3,928,194
NON-INTEREST EXPENSE		
Salaries and Employee Benefits	\$ 12,651,159	\$ 13,334,110
Occupancy and Equipment	2,368,620	2,501,155
Operations	6,266,317	6,514,143
Loan Servicing	3,634,011	3,601,966
Professional Services	520,550	511,263
Other	943,773	1,055,371
TOTAL NON-INTEREST EXPENSE	26,384,430	27,518,008
NET INCOME	\$ 3,633,811	\$ 4,655,019

Historical Growth of Shares & Reserves

Total Members' Shares and Deposits

M=Million



Total Reserves and Undivided Earnings

M=Million



Report from the Treasurer



After several years of holding steady amid economic conditions beyond our control, 2025 marked a gradual return to form for Michigan Educational Credit Union, with renewed emphasis on lending and a balanced approach to meeting our members' financial needs.

Although our overall loan activity remained largely in line with 2024, we experienced notable growth in several segments of our loan portfolio. Driven by a series of successful auto loan refinance campaigns, used auto lending increased by an impressive 20%. Home equity loans – long a popular financing option among our members – also grew by 9% in 2025. With market interest rates remaining elevated, members increasingly turned to this affordable option to help finance a wide range of major expenses.

On the deposit side, we saw a healthy 6% increase in assets, finishing the year at nearly \$1.1 billion. Total member shares and deposits rose by almost \$42 million, once again demonstrating the strong trust our members place in MECU to safeguard their hard-earned money. In return, we were proud to offer some of the most competitive share certificate rates available in 2025. Rounding out the year's performance, our net income increased by an impressive 28%.

Looking ahead, we remain committed to maintaining the financial strength and stability that our members depend on. By continuing to manage resources responsibly, expanding lending opportunities, and offering competitive savings options, Michigan Educational Credit Union is well positioned for continued growth. On behalf of the Board and management team, I would like to thank our members for their continued trust and support, which makes our success possible.

William Wooster, Treasurer

A 10-Year History

ASSETS		LOANS
\$1.1 BILLION	2025	\$486 MILLION
\$1 BILLION	2024	\$486 MILLION
\$1 BILLION	2023	\$514 MILLION
\$1 BILLION	2022	\$522 MILLION
\$1.1 BILLION	2021	\$449 MILLION
\$1 BILLION	2020	\$494 MILLION
\$876 MILLION	2019	\$544 MILLION
\$826 MILLION	2018	\$543 MILLION
\$799 MILLION	2017	\$475 MILLION
\$763 MILLION	2016	\$438 MILLION

Financial Highlights

2025
Total Members: 47,814

2024: 48,637 2023: 49,994 2022: 50,274 2021: 50,171

2025
Loans Outstanding: 32,985

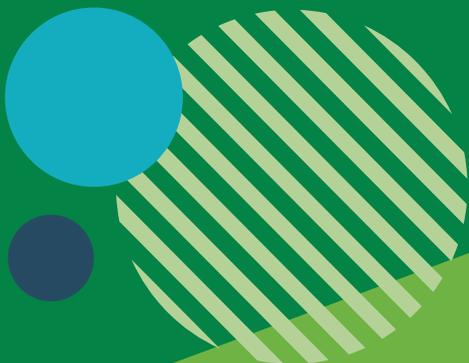
2024: 31,339 2023: 30,0181 2022: 31,536 2021: 29,297

2025 Sources of Income

59%
 Loan Income

32%
 Investment Income

9%
 Other Income



Report from the Credit Committee



Henry Willson

In 2025, we completed 28,054 loan transactions, amounting to \$122,938,396 – an increase compared to the previous year.

Our efficient online application process made it simple and secure for members to apply for loans from any device. This convenience was reflected in the 2,123 online applications received in 2025, totaling \$51,466,281 in approved loans. Members could also choose to apply in person or by phone.

The total dollars advanced in 2025 surpassed those of prior years, driven mainly by growth in used auto, home equity, and mortgage loans. The most notable rise occurred in used auto loans, fueled by successful refinance campaigns. Additionally, our home equity loan portfolio grew by a remarkable 9% during 2025. This program continues to be an attractive and affordable borrowing option for members seeking funds for bill consolidation, home improvements, college tuition, and other major expenses.

During periods of inflation, consumers often experience increased financial pressures. Looking ahead to 2026 and beyond, we are committed to offering competitive rates, convenient access, and the high level of service our members expect from their trusted Credit Union.

We sincerely appreciate our members for their ongoing support and confidence. Our commitment remains strong to serve your financial needs both now and in the future. We also wish to recognize the dedication and hard work of our staff, management, and Board of Directors throughout the past year.

Henry Willson, Credit Committee Chairperson
 Lisa Kania
 Kelly Borowski

Loan Portfolio Composition as of December 2025



Products & Services



A Financial Partner You Can Rely On

Ever since Michigan Educational Credit Union was founded in 1942, we have strived to be not just the best financial institution for our members, but the best financial partner. We want to be by your side through all of life's ups and downs. It is with this dedication that we continuously work to provide products and services you can use with a personal touch you can trust.

Thanks to your support, we're able to continue offering great savings and loan rates with some of the latest technology available. We serve nearly 50,000 members and their families who live, work or worship in Wayne, Washtenaw, Oakland, Macomb, Livingston and Jackson counties, and our policy of "once a member, always a member" means we will continue to serve you even if you change jobs or move away. We meet the high standards of the federal government to qualify for savings insurance up to \$250,000 per member, covered by the National Credit Union Share Insurance Fund.

At Michigan Educational Credit Union, we're with you for your entire financial journey.

- Share Savings Accounts
- Draft/Checking Accounts
- Share Certificates
- Individual Retirement Accounts
- First Mortgages
- Home Equity Loans
- Home Improvement Loans
- Credit Cards
- New & Used Auto Loans
- Boat & Recreational Vehicle Loans
- Personal Loans

- Direct Deposit & Payroll Deduction
- Automated Teller Machine Service
- Debit Cards
- Speedy Line Audio Teller
- Digital Banking
- Online Bill Payment
- E-Statements

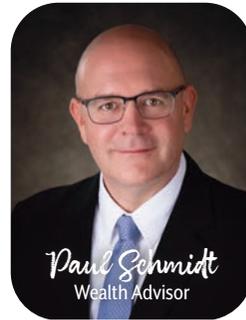


Investment Services

Michigan Educational Credit Union members have access to the financial planning and investment services available through MECU Financial's relationship with LPL Financial. MECU Financial's consultants, conveniently located right at your Credit Union, are a valuable source for guidance in your important financial decisions. These experienced and knowledgeable financial consultants can help you determine investment objectives, select appropriate services and products and make investment decisions. Individual appointments are available at no cost to you.



William Knudsen
Wealth Advisor



Paul Schmidt
Wealth Advisor

Call to set up your free,
no-obligation appointment today!

(734) 416-5025



Locations & Office Hours

Plymouth Main Office

9200 Haggerty Road
Plymouth, MI 48170
(734) 455-9200

Brighton Office

123 Brighton Lake Road, Suite 102
Brighton, MI 48116
(810) 494-6000

Livonia Office

14921 Middlebelt Road
Livonia, MI 48154
(734) 261-1050

Royal Oak Office

1903 Rochester Road
Royal Oak, MI 48073
(248) 399-7473

Ann Arbor Office

4141 Jackson Boulevard
Ann Arbor, MI 48103
(734) 761-7505

Macomb Office

47230 Hayes Road
Macomb, MI 48044
(586) 566-5599



general@michedcu.org
www.michedcu.org
(888) 261-3355
9:30-5:30 M-F

How Can We Help You?

We offer assistance with:

- | | |
|--|------------------------------|
| Portfolio Analysis | Equities |
| Retirement Planning | Annuities – Fixed & Variable |
| Education Fund Planning | Mutual Funds |
| Financial Seminars | Life Insurance |
| Insurance Services | Disability Insurance |
| Retirement Accounts – IRAs, TSAs, 403(b) | Long-Term Care Insurance |

Securities and advisory services offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA/SIPC). Insurance products are offered through LPL or its licensed affiliates. Michigan Educational Credit Union (MECU) and MECU Financial **are not** registered as a broker-dealer or investment advisor. Registered representatives of LPL offer products and services using MECU Financial, and may also be employees of MECU. These products and services are being offered through LPL or its affiliates, which are separate entities from, and not affiliates of, MECU or MECU Financial. Securities and insurance offered through LPL or its affiliates are:

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Not Credit Union Deposits or Obligations | May Lose Value**

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