

A photograph of a white egret standing in a swampy forest. The ground is covered in green moss and small plants. Several large, thick tree trunks with characteristic buttresses are visible in the background. The scene is dappled with sunlight and shadows.

2026 Annual Report

Signature
FEDERAL CREDIT UNION
.....
Everywhere You Are

Insured by NCUA

Annual Meeting Agenda

Hotel Bentley in Alexandria, LA
Saturday, October 10th
at 2:00 PM in the ballroom

**Reading of the Minutes
of the 2025 Annual Meeting**

President's Report

Treasurer's Report

Credit Committee Report

Supervisory Committee Report

Nominating Committee Report

Questions from the Membership

Grand Prize Drawing

Report of the President

Welcome to Signature Federal Credit Union's 56th Annual Meeting. I am so glad you all could join us in Alexandria, LA.

You'll hear several reports from our board members, each of them chairs a committee at your credit union. I would also like to recognize our Secretary, Linda Carter, Vice President, Gerri Swarm as well as our Business Development Chair, Jack Wilkins for all of their efforts in serving your credit union. In addition, I would like to thank our Board Member Emeritus, Carol Sue Carnes.

The financial information that our Treasurer, Dale Goff will deliver is as of December 31, 2025. Last year, the credit union ended 2025 with \$428M in assets, \$360M in shares and \$359M in loans. I know that Dale will ensure you are confident in your credit union's financial position.

In 2025, we saw some great membership growth. Membership as of 12/31/25 was 27,187. Gerri Swarm chairs the Membership Committee and works closely with staff on ideas for expansion of services to existing and prospective new members.

Our Marketing Committee has done a fine job promoting our credit union and its products and services to not only our existing members but to potential members across the country. We've seen a tremendous response to our highly competitive mortgage and home equity products from individuals all over the country as well as our high yield checking and savings accounts. Paul Edd Butler chairs this committee and works closely with the marketing staff to ensure we are providing timely and important information to you.

Ruthie Cauble-Beal chairs our Credit Committee, the group that reviews loans that are denied by loan officers. She and her fellow members, Jimmy Fusco and Barbara Whidden work hard to ensure our members are treated fairly and that any denials are appropriate.

Finally, Bill Thomas has chaired our Supervisory Committee for many years and acts as the liaison between the members and credit union staff and officials. Along with his fellow committee members, Ron Block and Rodney Boland, who's responsibilities extend to presenting audit results and letters of concern or compliments to the board.

My thanks and appreciation to my fellow officials. They are a dedicated group of individuals, focused on making your credit union the best there is. I would also like to thank our staff for keeping daily operations running smoothly. And finally, thanks to all of you for your continued support of Signature Federal Credit Union.

Report of the Treasurer

In 2025, the Credit Union continued to demonstrate resilience and adaptability, maintaining a strong financial position despite economic shifts.

The Credit Union closed the year with total assets of \$428 million, a reflection of stable financial growth and responsible management. This strong asset base ensures continued security and confidence for our members.

Loan balances experienced a \$10 million increase in 2025, a strategic shift that demonstrates our careful financial oversight and responsiveness to evolving member needs. This change also positions us to pursue new opportunities in lending as we move forward.

Membership continued to grow, with 110 new members bringing our total to 27,187—a strong sign of our ongoing relevance and trust of our members.

Our credit performance continued to exceed expectations, with a delinquency rate of just 1.10%. This rate is in line with industry averages and underscores the strength of our lending practices and the financial responsibility of our members.

We concluded the year with \$44 million in capital, representing 10.23% of total assets. This solid capital position affirms our well-capitalized status and provides a strong foundation for sustainable growth and financial stability in the years ahead.

Our dedication to serving members remains unwavering. We continuously seek ways to enhance our offerings and strengthen our financial foundation. On behalf of the Board of Directors, Officials, and Staff, we sincerely thank you for your trust and support.



Credit Committee Report

The Credit Committee is made up of three members of the Credit Union elected by the membership. Our responsibility is to review all loan requests that are denied and, if necessary or requested, meet with members to discuss financial issues. Throughout our deliberations, we must be cognizant of the extremely sensitive nature of the information we receive. In addition, we must make decisions without consideration of race, color, religion, gender, gender expression, age, national origin, disability, marital status, sexual orientation, or military status. That means that every member is treated equally based solely on their application.



📍 KISATCHIE NATIONAL FOREST

During 2025, the Credit Committee met twice monthly by telephone to review more than 990 loan requests that loan officers had denied. The committee overturned a few of those denials based on information we obtained in reviewing the applications or in talking with the members. While it is rare that a decision is overturned, each member has the right to discuss their application



📍 LOUISIANA STATE CAPITOL, DOWNTOWN BATON ROUGE

with the committee. Most often, denials are based on overextended debt, poor credit history or escalating debt.

Over the course of the year, loan officers at the credit union reviewed over 5,761 loan applications. Those requests included mortgages, home equity loans, vehicle loans, business loans, personal loans and credit cards. Bankruptcy accounted for approximately 22% of all loans we charged off in 2025.

I have the pleasure of working with Jim Fusco and Barbara Whidden on this committee. They are both dedicated individuals who are committed to helping members. Thanks to all of the officials for their continued support and guidance and to the staff for their daily efforts on your behalf. Finally, thank you for your continued support of the credit union.

Supervisory Committee Report

The Supervisory Committee is the members' liaison with the Credit Union, as well as its advocate. Appointed by the Board of Directors, we ensure that the Credit Union complies with federal and state laws and financial rules and regulations. In addition, we investigate complaints and concerns we receive from members regarding their accounts or communication with Signature Federal Credit Union.

In addition to receiving a federal examination by our regulator, the National Credit Union Administration (NCUA), we are required to have a supervisory audit that examines the entire credit union operation to ensure compliance with federal and state financial regulations, policies, and procedures. We contract out for a number of internal compliance audits as well, covering issues like information technology, electronic funds operations, regulations on bank secrecy and anti-money laundering and website compliance. As regulations change, so does our list of audits.

As an added step in oversight, the committee has been tasked with reviewing the audits, security issues, and any pertinent information that may affect members. I thank my fellow committee members, Ron Block and Rodney Boland for serving on this committee.

SFCU is operated in a safe and sound manner. Members' regular share deposits are insured to \$250,000.00. IRAs are separately insured to

\$250,000. As part of the Supervisory Audit, each year a sampling of members' accounts are audited to ensure transactions are being handled correctly. If there is any discrepancy in a member's account, the committee must have it researched and corrected.

We receive many inquiries, comments and suggestions from our membership over the course of the year. I am very appreciative of all those letters and emails and take each one very seriously. If I can't help or answer the question, I will speak to the management and staff at the Credit Union to get a resolution. Often, a quick phone call is all that is necessary. If more is required, I generally get the experts involved and make sure the issue is settled to the member's satisfaction.



📍 ALEXANDRIA ARTS DISTRICT

I encourage all members to continue to contact the committee for any issue that they cannot resolve, understand or they believe is wrong. Both my email and mailing address appear at the bottom of your statement and inquiries or concerns may be sent to me or to the Credit Union. We are available to assist you in any way necessary. As always, we will keep your best interests in mind as we watch over **YOUR** Credit Union.

Statement of Financial Condition

As of December 31, 2025 and 2024

	2025	2024	Variance
ASSETS			
Loans, Net of Allowance for Loan Losses	\$ 358,635,552	348,850,701	9,784,851
Cash	34,207,959	49,379,881	(15,171,922)
Investments	24,392,253	36,760,535	(12,368,282)
NCUSIF Deposit	3,450,575	3,496,112	(45,537)
Property & Equipment, Net	1,936,529	1,673,081	263,448
Accrued Interest Receivable	1,757,488	1,681,655	75,833
Prepaid and Other Assets	3,216,285	2,181,473	1,034,812
Total Assets	\$ 427,596,641	444,023,438	(16,426,797)
LIABILITIES			
Accounts Payable	\$ 399,312	465,130	(65,818)
Notes Payable	20,000,000	35,000,000	(15,000,000)
Dividends Payable	760,508	793,915	(33,407)
Taxes Payable	1,200	1,488	(288)
Accrued Expense	889,759	906,034	(16,275)
Other Liabilities*	1,284,749	540,727	744,022
Member Shares and Deposits	324,368,496	320,988,100	3,380,396
Non-Member Shares and Deposits	36,167,000	41,948,000	(5,781,000)
Total Liabilities	\$ 383,871,024	400,643,394	(16,772,370)
MEMBERS' EQUITY			
Regular Reserves	\$ 3,768,665	3,768,665	0
Undivided Earnings and Net Income	40,342,968	40,647,565	(304,597)
Accum. Other Comprehensive Income	(386,016)	(1,036,186)	650,170
Total Members' Equity	43,725,617	43,380,044	345,573
Total Liabilities and Members' Equity	\$ 427,596,641	444,023,438	(16,426,797)

Statement of Income

As of December 31, 2025 and 2024

	2025	2024	Variance
INCOME			
Loan Interest	\$ 23,369,182	23,060,138	309,044
Investment Interest	2,954,646	3,008,866	(54,220)
Fees & Charges	500,694	807,997	(307,303)
Other Operating Income†	1,560,083	1,711,899	(151,816)
Total Income	\$ 28,384,605	28,588,900	(204,295)
EXPENSE			
Operations	\$ 13,511,847	\$ 13,751,049	(239,202)
Provision for Loan Loss	2,047,035	3,954,215	(1,907,180)
NCUA Operating Fee	84,614	80,192	4,422
Dividend Expense	11,585,794	11,517,903	67,891
Interest on Notes Payable	1,326,744	1,485,909	(159,165)
Total Expense	28,556,034	\$ 30,789,268	(2,233,234)
Non-Operating Gain#	\$ (133,169)	4,999,936	(5,133,105)
Non-Operating Gain (Loss)	(133,169)	4,999,936	(5,133,105)
NET (LOSS) INCOME	\$ (304,597)	2,799,569	(3,104,166)

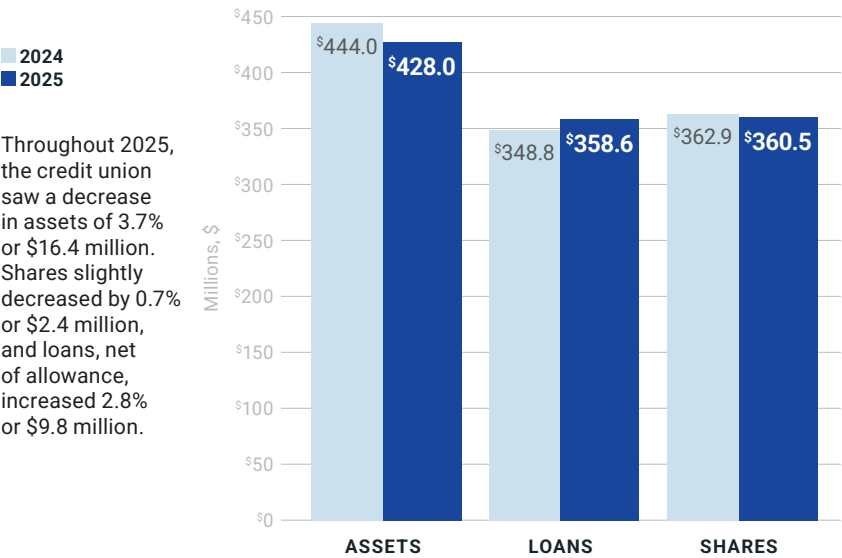
* Other Liabilities include clearing and suspense accounts for various transaction classes.

† Other operating income includes earnings from the sale of mortgage loans, and related products including credit disability, auto warranties, credit card interchange, and insurance.

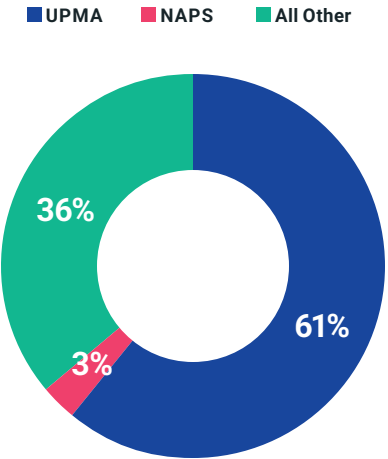
Non-operating gain includes loss on charged-off loan sales in the year ending 2025 and losses recorded on sale of investments and gains recorded on charged-off loan sales in the year ended 2024.

Annual Report Graphs

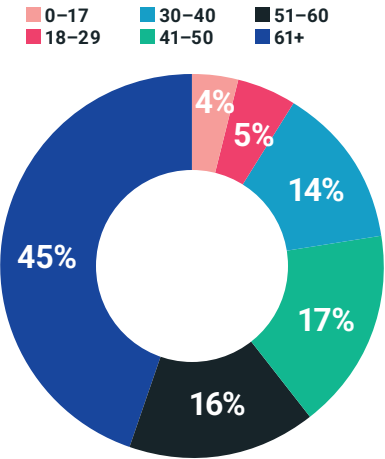
1. CHANGES IN ASSETS, SHARES & LOANS



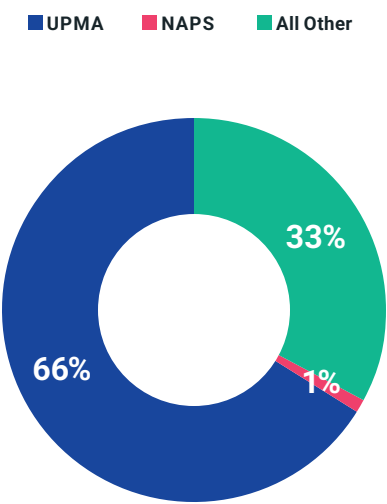
2. MEMBERSHIP BY TYPE



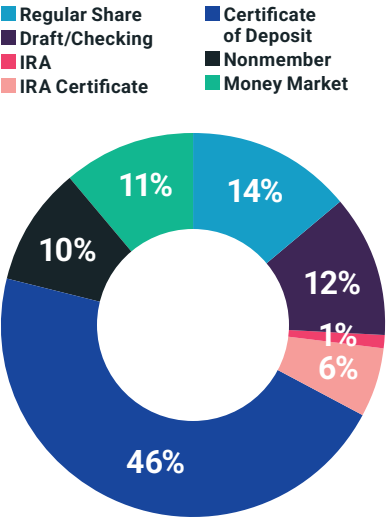
3. MEMBERSHIP BY AGE



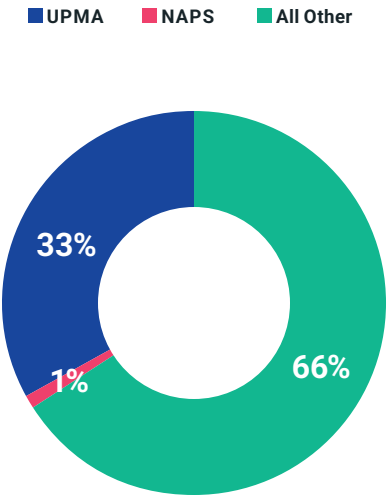
4. SHARES BY MEMBERSHIP TYPE



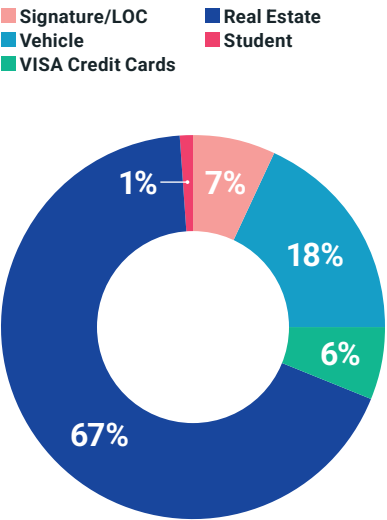
5. SHARE PORTFOLIO



6. LOANS BY MEMBERSHIP TYPE



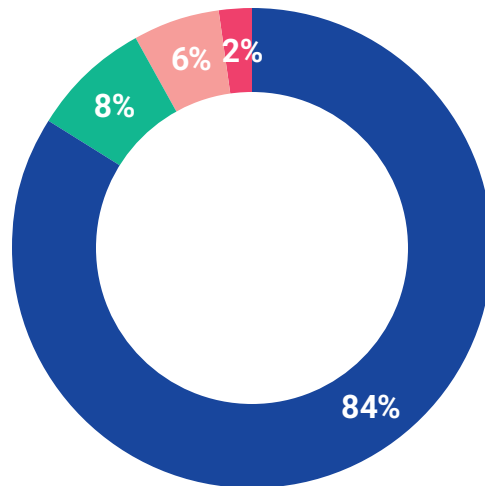
7. LOAN PORTFOLIO



8. ASSETS BY TYPE

■ Loans
■ Cash
■ Investments
■ Other

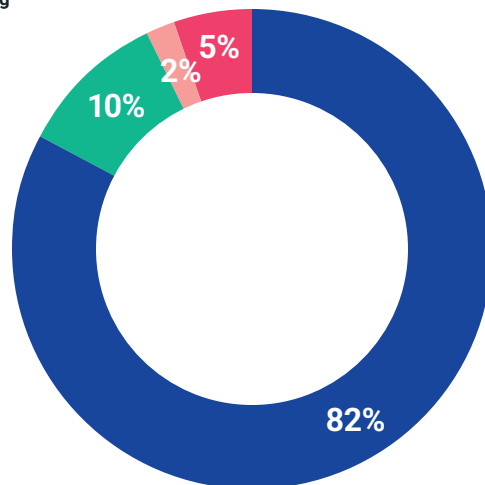
The loans we make to our members are our most significant asset comprising 84% of total assets. We maintain a portfolio of investments, as well as cash for operations. Other assets include the NCUA Share Insurance Fund, building and equipment, accrued income, and prepaid expenses for operations.



9. INCOME BY TYPE

■ Loan Interest
■ Investment Interest
■ Fees & Charges
■ Other Operating Income

Income generated from loans amounted to 82% of total 2025 income. Investments made by the credit union brought in 10% of income. Other Operating Income includes income from products such as auto warranties and insurance, and the sale of mortgage loans to Fannie Mae. While mortgage loan assets are sold, the Credit Union always retains the servicing rights, so that the member interaction on these loans remains with us. In addition, we earn interchange income when members use our VISA credit and debit cards. Fees & Charges are our smallest source of income.

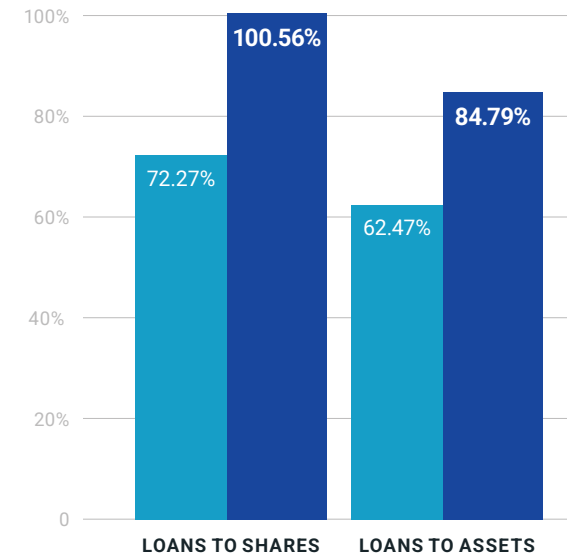


10. LOAN TO SHARE AND LOAN TO ASSETS RATIOS COMPARED TO PEERS

■ SFCU
■ Peers

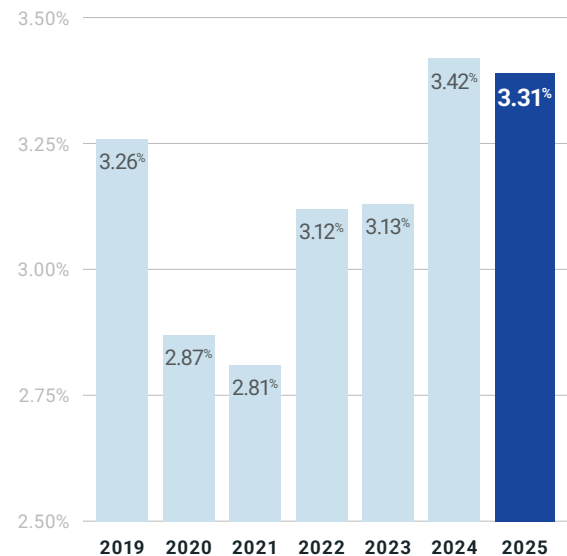
As of year-end 2025, 100% of shares were utilized to make loans with additional funding provided by other borrowings.

Maximizing the use of share deposits by lending them out is the most effective way to generate income and serve the membership. The credit union outperforms peer with a higher loan to asset ratio.



11. OPERATING EXPENSE RATIO

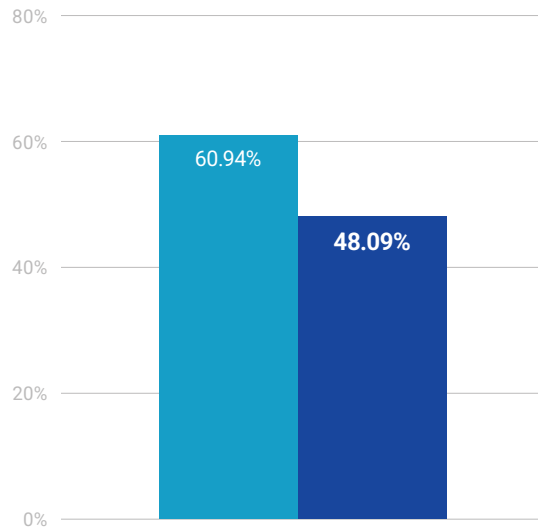
Operating expenses as a percentage of average assets declined slightly in 2025. Operating expense decreased year over year alongside a reduction in total assets. Balancing expense control with quality member service is a key priority of the Board and Management team.



12. OPERATING EXPENSE TO INCOME COMPARED TO PEERS

■ SFCU
■ Peers

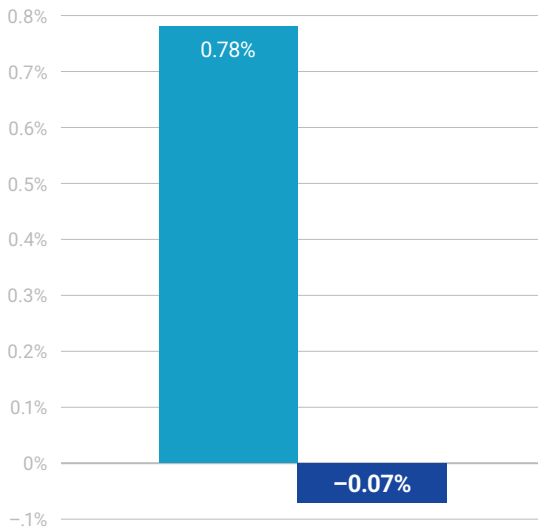
The credit union continues to operate with a lower expense ratio, at 48%, than our peer credit unions at 61%. This means we are more efficient and spend a lower percentage of income on operational expenses.



13. RETURN ON ASSETS VS. PEERS

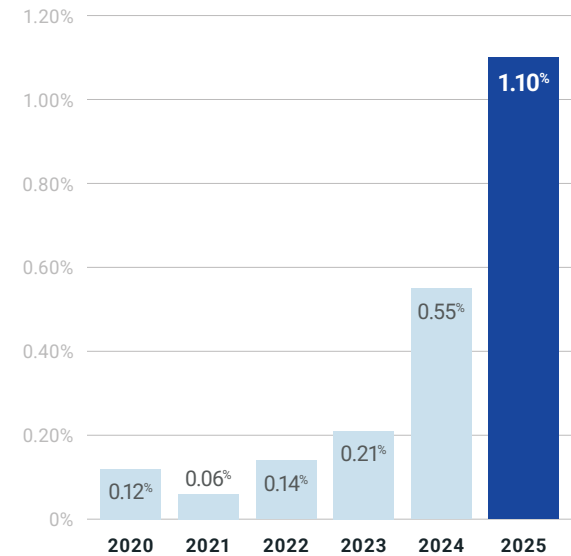
■ SFCU
■ Peers

The credit union's operating loss in 2025 caused a negative return on assets for the year compared to the peer ratio of 0.78%. While the year's net income position was adversely affected by high dividend rates, the credit union pursued strategic growth in interest earning assets, including loans. The strong asset base of the credit union ensures continued security and confidence for our members.



14. DELINQUENCY RATIOS

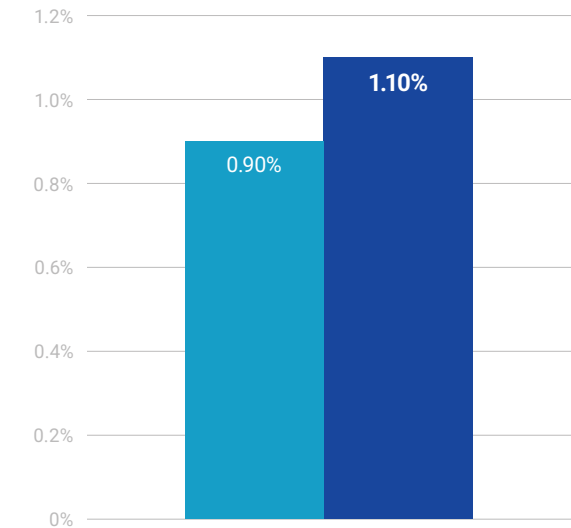
The delinquency ratio increased to 1.10% in 2025, as our members navigated economic shifts. While this continues the year-over-year upward trend, the rate remains in line with industry averages.



15. DELINQUENCY COMPARED TO PEERS

■ SFCU
■ Peers

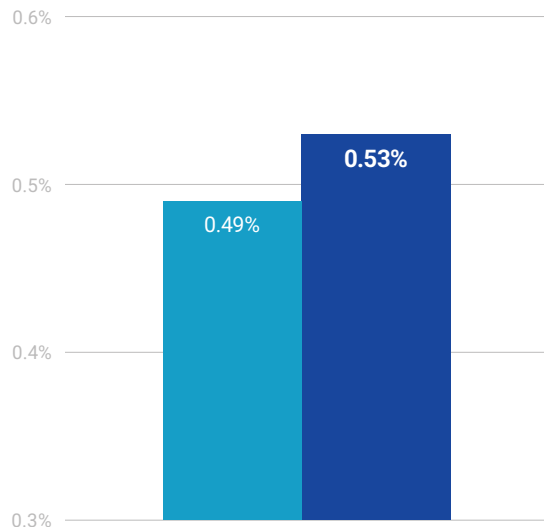
The graph shows that despite the increase in our credit union's delinquency rate to 1.10% in 2025, the rate remained within reasonable range of the peer average of 0.90%.



16. CHARGE OFFS TO PEERS

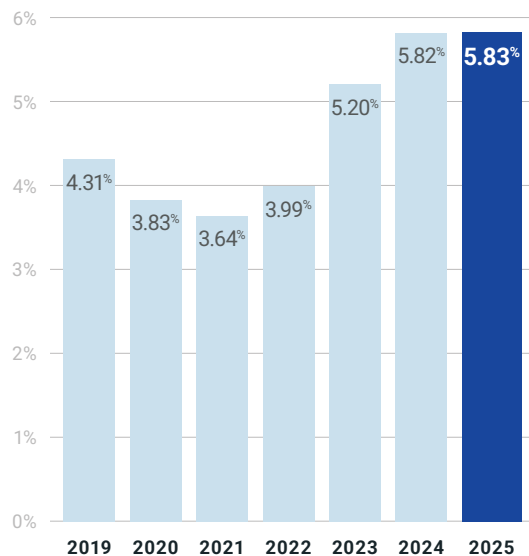
■ SFCU
■ Peers

The 0.53% ratio of loans that were charged off as losses in 2025 was comparable to the peer average of 0.49%.



17. YIELD ON AVERAGE ASSETS

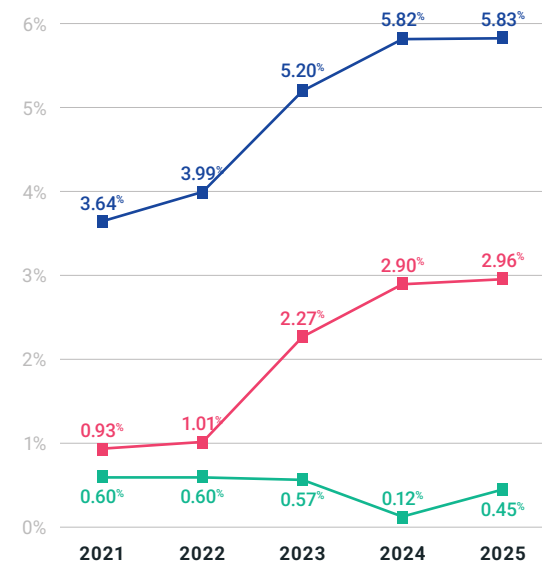
Yield on Average Assets in 2025, at 5.83%, increased slightly from the prior year despite rate declines during the year. This aligns with trends in peer yield.



18. MEMBER GIVE BACK

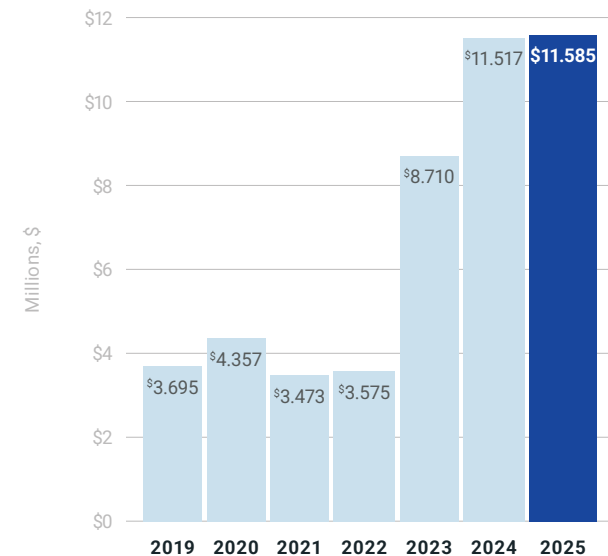
■ Yield on Assets
■ Cost of Funds
■ Fee and Other Operating Income

Signature is committed to providing member value through providing competitive rates and maintaining low fee income, as shown in this graph. This is made possible because of the institution's strong capital position.



19. DIVIDENDS TO MEMBERS

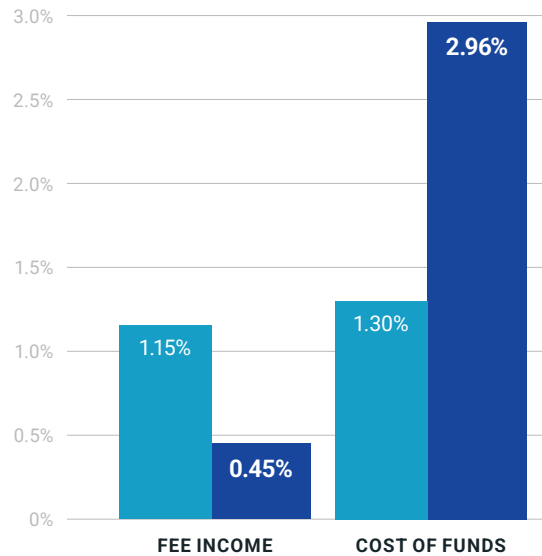
Dividends increased slightly in 2025, despite a small decline in rates, demonstrating our commitment to give back to members.



20. FEE & OTHER INCOME AND COST OF FUNDS AS A PERCENTAGE OF AVERAGE ASSETS TO PEERS

■ SFCU
■ Peers

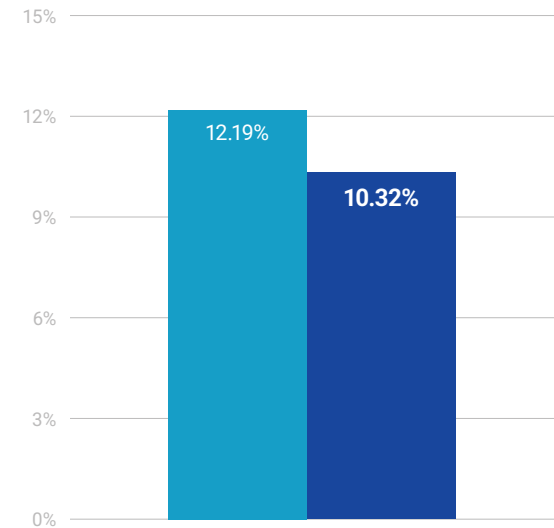
Signature's peer credit unions (those between \$100-\$500 million in assets) charge more in fees and pay less in dividends. Historically, Signature's fee and other operating income remains significantly lower than our peers. On the other hand, our cost of funds, or dividends paid, is 2.96% compared to peer at 1.30%. This means Signature paid over two times the amount of dividends in 2025 than other similar sized credit unions.



22. CAPITAL COMPARED TO PEER

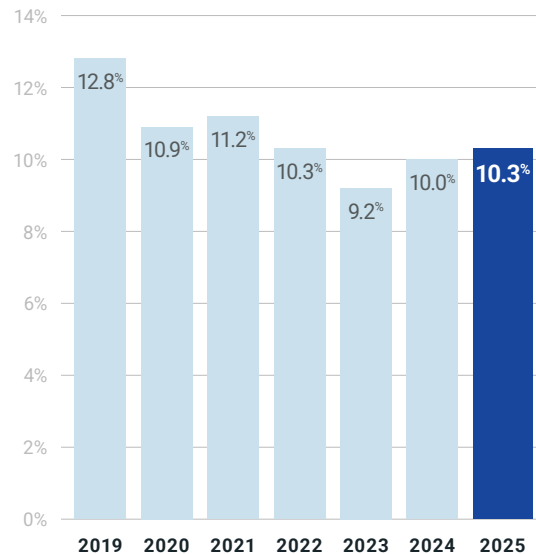
■ SFCU
■ Peers

Capital is the accumulated earnings cushion of protection we have as a financial institution; it enables us to grow in the future, weather hard times, and continue to provide our members with competitive products at great rates. Signature ended 2025 with a well-capitalized net worth, or capital, ratio of 10.32%, compared to peer ratio of 12.19%.



21. CAPITAL GROWTH

This slide illustrates our strong capital ratio, or net worth ratio. NCUA's highest classification is "well-capitalized", which requires a minimum ratio of 7%. Signature's ratio remains well above that level. Remaining well-capitalized is a primary focus of the Board and Management Team.



Our commitment continues to be ensuring the safety, soundness, and ongoing growth of your Credit Union for years to come.

On behalf of all of the Officials and Staff of Signature Postal FCU, thank you for your loyal support.

Board Of Directors

Ann McDorman
President

Gerri Swarm
Vice President
Membership Chair

Linda Carter
Secretary

O. Dale Goff, Jr
Treasurer

Paul Edd Butler
Marketing Chairman

Rodney Boland
Promotions Chairman

Jack Wilkins
Business Development
Special Projects Chair

Carol Sue Carnes
Board Member Emeritus

Credit Committee

Ruthie Cauble-Beal
Chairman

James W. Fusco
Secretary

Barbara Whidden
Member

Supervisory Committee

Bill Thomas
Chairman

Ron Block
Member

Charles Peters
Member

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