

2025

ANNUAL REPORT

A Year of Focus, Progress, and Commitment

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Welcome

2025 in Review



2025 was a year defined by focus, follow through, and steady progress for Journey Federal Credit Union. Building on prior investments, our attention was centered on strengthening operations and supporting our people, with a continued emphasis on making sure the changes implemented across the organization truly served our members well. This annual report reflects a year of learning, refinement, and continued commitment to serving our members and supporting the communities we operate in.

Throughout the year, Journey remained focused on delivering reliable, high-quality financial services while carefully balancing growth with stability. We continued advancing key initiatives across the credit union, investing in technology enhancements and facility improvements while also prioritizing staff development. Alongside these efforts, we evaluated internal processes, making adjustments where needed and responding thoughtfully to challenges as they emerged. These actions helped sustain a strong financial position and reinforced confidence in our direction.

The strength of Journey is grounded in how effectively our operations support the people who serve our members each day. During 2025, we placed meaningful attention on improving communication, clarifying workflows, and enhancing consistency across the organization. This work contributed to a more reliable member experience and further strengthened the foundation required for long-term success.

Our presence within the community continues to be an important priority. In 2025, this was reflected through branch renovations, the opening of a new location, and continued collaboration with local partners. These decisions were guided by a belief that responsible growth must remain closely connected to the communities we serve.

As we look ahead to 2026, our focus remains steady. We are committed to preserving stability, deepening community engagement, and expanding financial education efforts so that Journey continues to serve as a trusted and dependable financial partner. This report highlights the progress achieved in 2025 and the momentum that carries us forward.



A message from the *Chairman of the Board*

Our strength comes from the communities we serve. When those communities thrive, Journey thrives.



Dear Members,

Serving as Chairman of the Board provides a clear view into the responsibility and care that guide Journey Federal Credit Union. As we reflect on the year behind us, I am grateful for the dedication of our staff, the engagement of our members, and the thoughtful work required to position Journey for the future.

The Board's role is to provide oversight, accountability, and long-term direction, always with our members' best interests in mind. Throughout 2025, the Board remained focused on fulfilling that responsibility by ensuring Journey operates safely, responsibly, and with a clear emphasis on long-term stability. This included close attention to governance, financial oversight, and policies designed to strengthen the credit union and protect its future.

Our people continue to be central to Journey's success. The employees of Journey demonstrated professionalism, resilience, and a strong commitment to member service throughout the year. Rather than taking shortcuts, Journey continued investing in its team, ensuring employees are supported, well-trained, and equipped to provide meaningful financial guidance. That commitment is reflected in the relationships built with members every day.

Community involvement remains a defining part of who we are. During the past year, Journey continued supporting local organizations and initiatives that reflect our cooperative values. As a credit union, our success is closely tied to the strength of the communities we serve, and that belief continues to guide the Board's decisions.

Looking ahead, the Board remains focused on ensuring Journey is well-positioned to meet member needs today and into the future. Through responsible governance, careful oversight, and a commitment to organizational strength, we will continue to support a credit union that serves with integrity, care, and purpose.

On behalf of the Board of Directors, thank you for your trust, engagement, and membership. It is a privilege to serve, and we remain committed to guiding Journey with care, responsibility, and a clear focus on the future.

Sincerely,

Chris Kowatch, Chairman of the Board



A message from the Interim CEO

What makes Journey strong is not just what we build, but how we serve. I am grateful for our employees, our members, and the trust they place in us every day.



Dear Members,

As we reflect on 2025 and look ahead to 2026, I want to start by thanking you for the patience you have shown and the trust you continue to place in Journey.

This past year was one of focus, follow-through, and meaningful progress, but none of that work would have been possible without the dedication of our employees and the support of our members. Our team continued to demonstrate adaptability and resilience during a year that required steady effort and careful attention. The engagement and valuable feedback we received from members played an important role in helping us learn and continue improving as an organization.

Our priority in 2025 was reinforcing the foundation of the credit union. We placed significant attention on stabilizing operations and refining how we deliver services, while ensuring the tools supporting our work enhanced the overall member experience. While many improvements occurred behind the scenes, several resulted in visible enhancements designed to better serve our membership.

The year began with renovations being completed at our Ovid Branch, refreshing, and enhancing the lobby space for our members. This was followed by the completion of the renovation project at our St Johns branch, where members were welcomed into a vibrant and welcoming space. We were also pleased to celebrate the opening of our new branch in Alma, marking the first new branch location for Journey in many years. Along the way, we continued the rollout of our ITM machines, further expanding how members can access our services.

Amid these changes, our employees remained our greatest strength. As Navigators and Pathfinders deepened their expertise and adapted to evolving responsibilities, they continued supporting members, answering questions, and helping individuals confidently navigate the many changes throughout the year. I am genuinely thankful for the compassion they showed to one another and to our members.

Journey's financial position remains strong. In 2025, we experienced continued growth in assets and member shares while maintaining disciplined expense management grounded in long-term sustainability. These results reflect thoughtful decision-making and a deliberate commitment to balancing growth with stability.

Looking ahead, we are moving forward with clarity and purpose. We will continue prioritizing stability while strengthening our investment in community engagement and financial education. As we build on the progress achieved and our expanding presence in Alma, our focus remains on enhancing the member experience and identifying meaningful opportunities to serve.

Journey is built on relationships and trust. Technology plays an important supporting role, but it is our people who bring that mission to life. Thank you for being part of Journey and for allowing us to continue moving forward together.

Sincerely,

William McSweeney, Interim CEO



Meet Our Team



Financial Highlights and Key Metrics



Journey Federal Credit Union's financial performance in 2025 allowed us to grow the balance sheet while simultaneously increasing net income. The metrics below help illustrate the Credit Union's current financial position.

The Credit Union's net worth grew from 9.30% in 2024 to 9.99% in December 2025. This ratio remains well above the NCUA guideline of 7.00%, maintaining our status as "Well Capitalized."

Despite 2025's decrease in total loans, the Credit Union's loan-to-share ratio was 66.33%. This compares favorably to the Michigan peer average of 64.62%* for institutions with assets between \$150 million and \$250 million.

After a slight decline in 2023, total assets stabilized in 2024 and grew by \$4.5 million in 2025, ending the year at \$184.0 million. Furthermore, our delinquency ratio improved from 0.59% in 2024 to 0.55%, outperforming our peer group's average of 0.86%*.

The Credit Union's Return on Assets (ROA) increased 16 basis points over the previous year to 0.93%, exceeding the peer group average of 0.80%*. Our efficiency ratio, which measures the cost to earn \$1 of income, increased slightly to 79.09%, which is just above the peer group ratio of 77.6%*. Overall, net income rose \$0.3 million over the previous year to a total of \$1,688,700.

**Based on data as of September 2025; data for December 2025 not yet available.*



Financial Report



Executive Summary

During 2025, Journey Federal Credit Union earned over \$1.6 million in net income while simultaneously growing their balance sheet by over \$4.4 million. 2025's income and growth have positioned the institution well for 2026's initiatives, including giving members a choice in the way they prefer to bank by bringing a more traditional teller experience to its branches and strengthening its relationship in the communities we serve.

Balance Sheet

- Total Assets: The year concluded with total assets at \$184.0 million, which represents an increase of \$4.5 million from the prior year's balance.
- Loans: The Credit Union's loan portfolio declined by \$7.2 million from the previous year. Despite this decrease, the Credit Union's loan-to-share ratio was 66.33%, which compares favorably to the Michigan peer average of 64.62% (September), for institutions in Michigan between \$150 million to \$250 million in assets.
- Cash and Equivalents: Cash and equivalents increased by \$0.6 million from the previous year to \$18.7 million. The Credit Union's cash position should allow it to meet its members' needs, support loan growth, and fund the Credit Union's 2026 initiatives.
- Total Fixed Assets: Increased by \$4.3 million as the Credit Union built a new branch in Alma, invested in Interactive Teller Machines, and remodeled its Ovid and Saint Johns branch.

Financial Performance - Income and Expenses

- Net Income: The financial year ended with a net income of \$1,688,700.
- Income Growth: Total income increased by \$0.6 million to \$10.6 million. Increases in both loan and investment interest income were aided by a favorable interest rate environment.
- Dividend Expense: Dividend expense remained relatively stable from the previous year, decreasing slightly by \$5,000; bringing the total expense for the year to approximately \$1.7 million.
- Operating Expense: 2025's operating expenses were \$7.1 million. Year-over-year increases can be attributed to the remodel of two of its branches, the opening of a new branch in Alma, and the purchasing of Interactive Teller Machines.

Ratios

- Return on Assets: 0.93%
- Net Worth Ratio: 9.99%
- Efficiency Ratio: 79.09%
- Loan-to-Share Ratio: 66.33%





Journey Federal Credit Union

Income Statement

December 31, 2025

	Actual Current	Actual Prior	Actual	Budgeted	Prior Year
	Period	Period	YTD	YTD	YTD
Loan Income					
Direct Auto	\$ 100,175	\$ 97,700	\$ 1,148,060	\$ 1,069,000	\$ 1,033,755
Indirect Auto	171,346	167,484	2,163,956	2,103,000	2,037,572
Residential Real Estate	114,839	105,057	1,345,486	1,418,000	1,385,781
Unsecured	75,065	65,599	903,036	1,022,000	1,004,418
Other Collateral	27,858	27,883	335,957	367,000	362,165
Commercial	33,635	27,773	392,438	414,000	402,181
Government Guaranteed	50,616	39,654	334,463	222,000	220,348
FAS 91	(10,307)	(10,379)	(130,992)	(125,000)	(123,469)
Total Loan Income	563,226	520,771	6,492,405	6,490,000	6,322,751
Investment Income	262,971	142,044	1,896,332	1,345,000	1,552,939
Dividend Expense	140,860	137,021	1,669,089	1,710,000	1,673,995
Net Interest Income	685,338	525,794	6,719,648	6,125,000	6,201,695
Credit Loss Expense	12,496	31,630	185,833	800,000	569,325
Fee Income	104,053	84,892	1,131,124	1,159,000	1,139,177
Other Operating Income	103,472	84,972	1,115,542	1,030,000	1,005,207
Total Non-Interest Income	207,525	169,865	2,246,665	2,189,000	2,144,384
Non-Interest Expense					
Employee Comp. & Benefits	256,781	212,727	2,845,984	3,198,400	2,875,729
Travel & Conference	23,519	5,563	72,283	55,000	47,478
Office Occupancy	56,395	39,519	478,891	467,500	313,125
Office Operations	86,015	86,439	926,052	1,202,400	565,311
Education & Promotion	33,330	37,433	343,435	261,000	156,606
Loan Servicing	18,977	16,848	201,971	244,000	242,680
Professional & Outside Service	213,507	172,697	2,124,156	2,110,200	2,149,063
Operating Fees	2,675	2,675	33,418	35,000	34,578
Other Operating	(10,000)	3,808	65,588	40,000	33,139
Total Non-Interest Expense	681,199	577,712	7,091,780	7,613,500	6,417,708
Net Income (Loss)	\$ 199,168	\$ 86,317	\$ 1,688,700	\$ (99,500)	\$ 1,359,046

Discover the possibilities



Journey Federal Credit Union

Balance Sheet

December 31, 2025

	Current Period	Previous Period	Prior Year	Budgeted Expectation
Assets				
Cash & Equivalents	\$ 18,701,260	\$ 21,082,312	\$ 18,120,750	\$ 9,450,000
Investments	46,944,001	43,045,262	40,600,949	41,184,000
Loans				
Direct Auto	19,614,665	19,788,661	19,001,380	20,510,000
Indirect Auto	34,882,932	35,448,137	41,253,981	44,530,000
Residential Real Estate	24,115,883	24,725,624	27,355,366	29,530,000
Unsecured	9,532,694	9,419,432	9,377,402	10,120,000
Other Collateral	4,964,078	4,873,067	5,093,353	5,500,000
Commercial	7,237,426	7,538,238	8,079,909	8,720,000
Government Guaranteed	8,158,008	8,402,349	5,440,139	5,870,000
FAS 91	180,635	190,942	297,902	320,000
Subtotal Loans	108,686,320	110,386,469	115,899,433	125,100,000
Allowance for Losses	(1,081,736)	(1,105,084)	(1,262,873)	(1,575,000)
Net Loans	107,604,584	109,281,385	114,636,561	123,525,000
Fixed Assets				
Land & Building	5,167,336	5,185,108	1,553,153	5,400,000
Furniture & Equipment	1,753,136	1,768,928	1,024,532	2,570,000
Total Fixed Assets	6,920,472	6,954,037	2,577,686	7,970,000
Other Assets				
Accrued Loan Interest	428,777	451,014	439,841	400,000
Accrued Investment Interest	161,769	153,670	133,660	70,000
NCUSIF	1,577,080	1,577,080	1,531,517	1,575,000
Other Misc. Assets	1,678,262	1,211,546	1,498,013	1,422,400
Total Other Assets	3,845,888	3,393,311	3,603,031	3,467,400
Total Assets	\$ 184,016,205	\$ 183,756,306	\$ 179,538,975	\$ 185,596,400
Liabilities & Equity				
Shares				
Savings	\$ 48,229,903	\$ 48,712,713	\$ 50,423,567	\$ 52,580,000
Checking	36,952,133	36,077,526	34,373,691	35,840,000
Money Market	52,811,463	52,158,031	50,745,673	52,920,000
Certificate	25,866,086	26,043,288	26,047,125	27,160,000
Total Shares	163,859,586	162,991,557	161,590,057	168,500,000
Other Liabilities	1,771,410	2,587,304	1,566,610	937,400
Equity				
Undivided Earnings	16,702,701	16,702,701	15,343,656	16,558,500
Unrealized Gain (Loss) on Inv.	(6,191)	(14,788)	(320,393)	(300,000)
Net Income	1,688,700	1,489,532	1,359,046	(99,500)
Total Equity	18,385,210	18,177,445	16,382,308	16,159,000
Total Liabilities & Equity	\$ 184,016,205	\$ 183,756,306	\$ 179,538,975	\$ 185,596,400

Discover the possibilities

#Community



Congratulations Class of 2025!



Supervisory Committee Report



Dear Members,

The Supervisory Committee of Journey Federal Credit Union is responsible for ensuring the safety, soundness, and integrity of the credit union. Throughout 2025, the Committee worked closely with management to provide oversight of financial reporting, internal controls, and regulatory compliance, with a continued focus on protecting member interests and maintaining transparency.

During the year, the Committee remained actively engaged in reviewing financial statements, audit results, and internal control processes. We maintained regular communication with management and external partners to ensure that systems, procedures, and controls functioned as intended and that identified issues were addressed in a timely and appropriate manner.

In 2025, the Supervisory Committee continued its work with our external auditor and other third-party review partners to support independent oversight. These reviews provided valuable insight into financial operations, internal controls, and compliance practices, helping to reinforce strong governance and sound risk management across the organization.

We are pleased to report that examinations and reviews conducted during the year did not identify any material weaknesses or significant deficiencies that management was unable to resolve. The Committee's findings reflect the diligence of management and staff and their commitment to maintaining accurate records, strong controls, and regulatory compliance.

The Committee also continued its oversight of key compliance areas, including Bank Secrecy Act and related monitoring activities, and reviewed updates to policies and procedures to ensure alignment with regulatory expectations. These efforts support the credit union's long-term stability and operational integrity.

As we look ahead, the Supervisory Committee remains committed to its role in providing independent oversight and safeguarding the financial health of Journey Federal Credit Union. We appreciate the cooperation of management and staff throughout the year and thank our members for the trust they place in the credit union.

Sincerely,

Zach Miller, Supervisory Committee Chairperson



Future Plans

2026 and Beyond



As we look to the year ahead, our focus in 2026 is centered on stability, community engagement, and financial education. These priorities guide how we serve our members, support our staff, and invest in the long-term strength of Journey Federal Credit Union.

The future of Journey remains strong, and we are excited about the direction we are heading. In the coming year, our Alma branch will continue to grow its presence, offering modern and personalized financial services to members in that community. We will also build on the momentum of recent renovations at our St Johns and Ovid branches, ensuring our spaces remain welcoming, efficient, and reflective of the experience our members deserve.

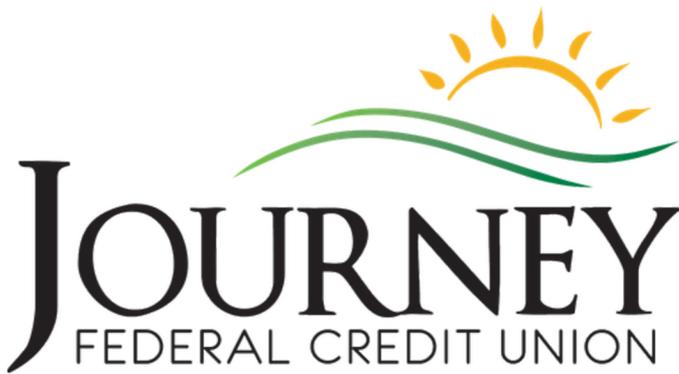
We will continue to enhance our digital services and ITM capabilities, making banking more convenient, accessible, and reliable for members across our service area. These investments support our commitment to meeting members where they are while maintaining the personal connection that defines our credit union. Our approach to sustainable growth allows us to remain focused on serving small towns and rural communities by addressing needs often overlooked by larger financial institutions.

Financial education and community involvement will remain central to our mission. In 2026, we will continue expanding opportunities for financial education and practical resources designed to help members build confidence and reach their goals. Through strong community partnerships and meaningful engagement, we look forward to continuing to make a positive impact in the communities we serve.

Our focus in 2026 is stability, community engagement, and financial education. By staying grounded in those priorities, we can continue to serve our members with care, invest thoughtfully in our communities, and build a strong future together.

– William McSweeney, Interim CEO





As we reflect on the past year, we want to express our sincere appreciation to our members, staff, and community. Your trust, engagement, and willingness to share feedback played an important role in shaping our work and guiding our decisions throughout the year.

The year behind us included meaningful progress, important learning, and moments that reinforced who we are and why we exist. As we look ahead, we remain focused on building momentum through thoughtful growth, strong relationships, and service that continues to evolve alongside the needs of our members.

Thank you for being part of this journey. Together, we are building a strong future grounded in purpose, connection, and community.

Thank You



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