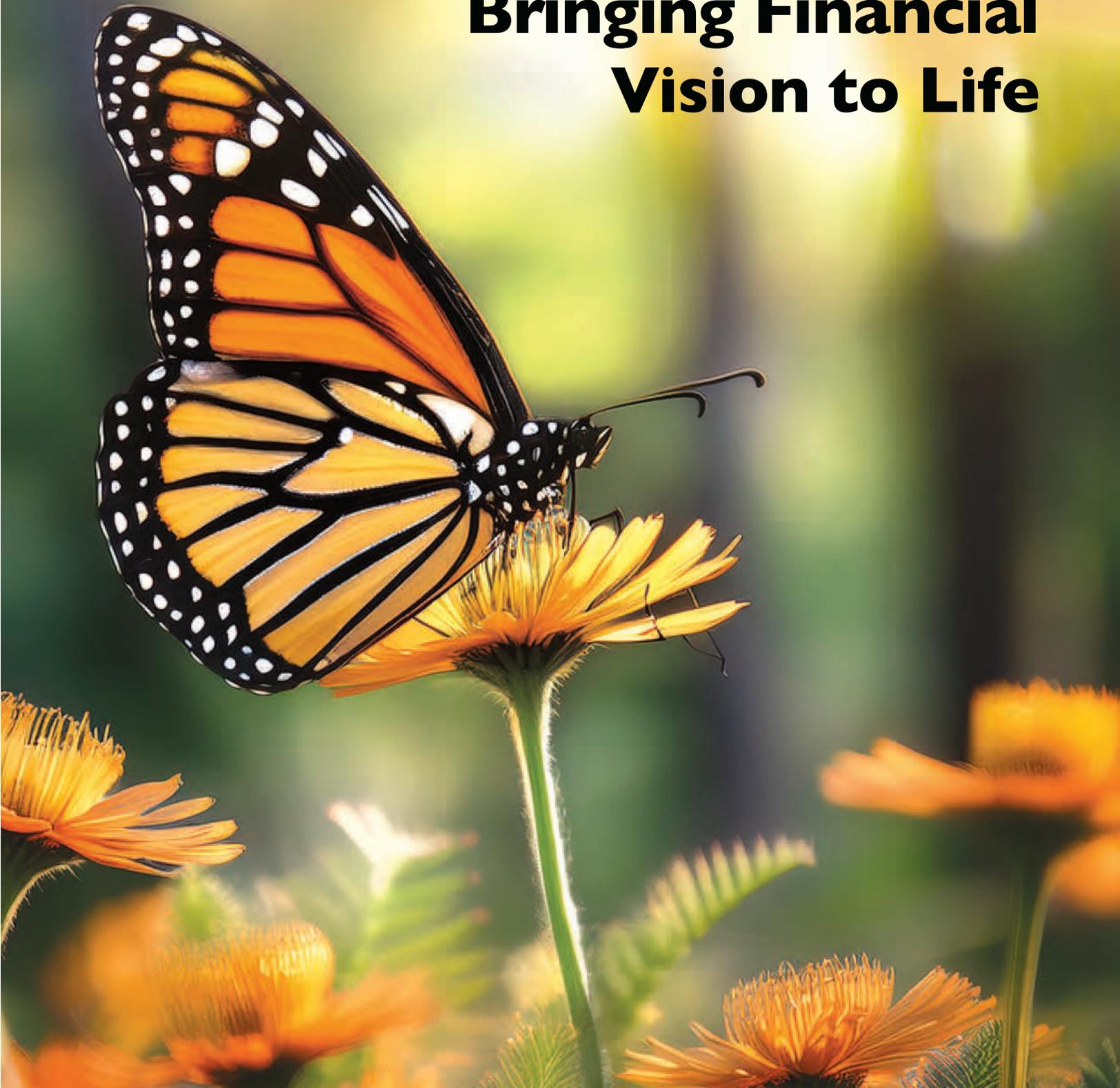




2025 Annual Report

Bringing Financial Vision to Life





BOARD OF DIRECTORS

(Standing L to R):

THERESA SLOWSKEI,
Associate Controller, Caltech;
DLORAH GONZALES,
*Retired, Director of Employment and
Employee Services, Caltech;*
JOHN K. MEEKER,
Treasurer, President/CEO, CEFCU;
ANN MARTIN,
*Retired, Senior Associate
General Counsel, Caltech;*
JOE COURTNEY,
*Division Manager of
Protective Services, JPL;*

(Sitting L to R):

LAURICE BALIAN,
Vice Chair, Senior Director of Audit, Caltech;
STEVE PROIA,
*Retired, CFO/Director for
Business Operations, JPL;*
PETER RINDE,
*Secretary, Division Manager for Enterprise
Business Information Services, JPL.*

Not pictured:

JOHN PATTERSON,
*Senior Finance Analyst-Public Finance and
Investments, County of Los Angeles,
Treasurer & Tax Collector.*

HELPING MEMBERS THRIVE IN AN EVER-CHANGING ECONOMIC CLIMATE

In today's financial world, as in nature, navigating the challenges of an unpredictable environment takes more than simply strength. It takes cooperative effort. And it requires intrinsic stability, resilience, unwavering goals, and continual far-sighted planning, to succeed when faced with the unexpected. That's exactly what CEFCU has demonstrated for over 75 years and epitomized last year — when the devastating wildfires in Altadena, Sierra Madre, Pasadena and Pacific Palisades affected many of our members and communities.

We were there for our impacted members, introducing a comprehensive set of financial relief measures. At the same time, we continued to prosper — sustaining \$2.1 billion in assets — enabling us to provide our entire membership with the superior value and personal service they have come to expect from their Credit Union.

Our 75-year milestone was highlighted by meaningful advancements across all our products, services, and technology, as we proudly welcomed 1,178 members and expanded our membership to more than 34,000. We proactively reviewed and reduced loan rates; effectively maintained our dividend rates; and completed a comprehensive evaluation and board-approved selection of a new digital banking platform, scheduled for implementation in 2026.

These decisions reflect our commitment to sustainable growth, providing our members with a secure, resilient banking system. And as always, we are grateful to our loyal members, who continue to make it all possible by choosing us, year after year.



Like the symbiotic relationship between butterfly and flower, our members choose us for the financial “nourishment” we provide, and we, in turn, flourish and create a more fruitful return for our members.

CHAIR & PRESIDENT'S REPORT

STEVE PROIA *Chair, Board of Directors* • JOHN K. MEEKER *President/Treasurer*



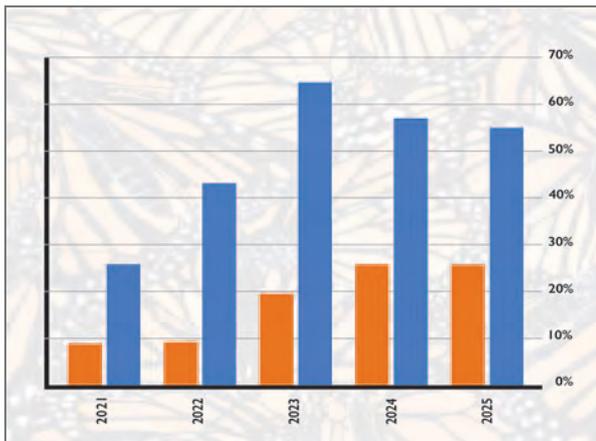
EVOLVING TO MEET TODAY'S FINANCIAL DEMANDS

Celebrating 75 years of solid success — through times of prosperity and times of challenge — CEFCU has continued to stand by our members, offering exceptional financial value and service. In 2025, we grew to over \$2.1 billion in assets, placing us among the top 250 credit unions in the nation. Our consistent growth and stability stand as a testament to the commitment of our employees and volunteers and the loyalty of our members.

As our revenue reached \$78.9 million and net worth topped \$210 million, we returned close to \$44.2 million to members in dividends. In other words, 55 cents of every dollar of revenue went back to members — more than double the national average of other credit unions!

RETURN TO MEMBERS Dividends as a Percentage of Total Revenue (Year end)

■ All Credit Unions in U.S. ■ CEFCU



Truly, last year underscored why the Credit Union difference matters — a difference rooted in personal relationships, direct access, and a deep commitment to our members. When the 2025 wildfires ripped through Southern California, CEFCU stepped up to assist hundreds of members impacted by these fires as well as our sponsor, Caltech. Recognizing that every member's situation is unique, we evaluated each case individually and approved disaster relief loans, provided mortgage deferrals, became a participant in the CalAssist Mortgage Fund, and engaged with local officials to champion our members' recovery and rebuilding efforts.

In solidarity with our sponsor groups — California Institute of Technology and Jet Propulsion Laboratory — our Board of Directors approved a \$50,000 donation to the Caltech/JPL Fire Recovery Fund; and, to amplify our impact, we secured a matching contribution from the Federal Home Loan Bank of San Francisco, effectively doubling our support to \$100,000. Going above and beyond in times of need is not an exception for CEFCU; it is central to who we are.

THE CYCLE OF SUCCESS

As always, our unique business model (providing only those services that we do best) and our members-first philosophy (putting people first) enabled us to continue to offer uncommon opportunities to all our members. In response to the complex interest rate environment, we proactively reviewed and reduced loan rates — most notably in real estate lending. The year ended with real estate rates at their lowest since 2022.

On the savings side, despite three 1/4-point reductions by the Federal Reserve totaling 75 basis points, CEFCU maintained dividend rates across all five tiers, implementing only a modest 20-basis-point adjustment. Notably, in the last 10 years, we have paid close to \$270 million back to members in the form of dividends — representing more than 50% of our revenue.

Achieving this success was, once again, possible because of our effective financial management policies, diligent planning, streamlined operations, and prudent cost controls. Demonstrating this, our operating expense ratio remained way below the industry average: just 0.89% at CEFCU compared to our peers at 3.00%. Moreover, all this was achieved without compromising members' access, convenience or security. Our commitment to member satisfaction has set another benchmark, surpassing industry and CEFCU standards with an impressive 95% member satisfaction rate.

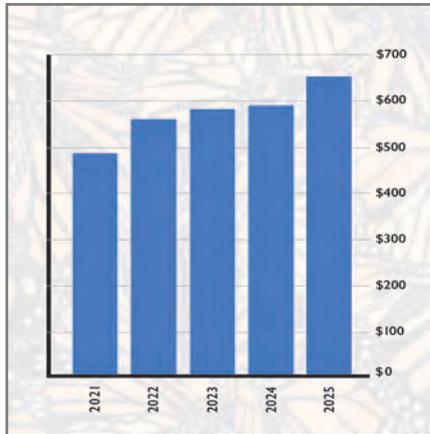
PUTTING WINGS ON THE DREAMS OF HOMEOWNERSHIP

CEFCU also delivered real savings last year through lower loan rates, making borrowing more affordable in every category from home loans and home equity lines to credit cards and auto financing. Better still, as with every CEFCU loan, upon qualification, all members receive the same great loan rates regardless of their credit score. Unlike many lenders, CEFCU does not use risk-based pricing and does not charge add-on fees.

Addressing today's affordability challenges, interest-rate uncertainty, and process complexity, CEFCU was able to remove the barriers to homeownership for many of our members, offering purpose-built products, education, and advisory support. Most of our home loans are, in fact, jumbo loans, but they feature our same superior rates as conforming loans.

LOANS

(Year end, in millions of dollars)



**Strong Portfolio Performance:
\$62 Million in Loan Growth in 2025.**

We are proud to report that 67% of our First Trust Deed fundings were purchase loans that closed on average in 32 days. Moreover, first-time homebuyers represented 63% — nearly two-thirds — of these borrowers. In all, we funded over \$96 million in new First and Second Trust Deed loans, bringing our total real estate portfolio to nearly \$584 million.

Once again, the 5/5 Adjustable-Rate Mortgage (ARM) was one of our most popular products, offering 30- and 40-year terms as a flexible alternative to traditional fixed-rate mortgages. The 5/5 ARM provides a fixed interest rate for the first five years, then adjusts every five years thereafter within predefined rate caps — offering dependable long-term stability with flexibility over the life of the loan.

The exceptional value of our two Home Equity Lines of Credit — Traditional and 10-Year Interest Only — featuring low variable rates, entirely fee-free services, and low cost to open — attracted more than \$23 million in credit, resulting in an outstanding loan balance of over \$70 million.

In other lending categories, our low-rate auto loans served members who were in the market for a new or pre-owned vehicle, lease buyout, or refinance from another lender. Compared to dealers and other lenders, our rates and terms provided a great value, generating nearly \$22 million in auto loans.

And, our Short-Term Personal Loans — with rates as low as 7.95% APR, terms up to 60 months, and no loan origination fee — offered the chance to dramatically lower monthly payments and interest charges by simply transferring high-cost balances from other lenders to CEFCU. This opportunity helped more than 400 members and attracted \$6.8 million in new loans.

PREPARING FOR A NEW TECHNOLOGICAL METAMORPHOSIS

In 2025, our Board of Directors approved a set of critical strategic initiatives to enhance CEFCU's long-term growth, while remaining grounded in our member-centric philosophy. These decisions reinforce our commitment to a low-cost, competitive operating structure — creating a strong foundation for sustainable growth and the strategic adoption of innovative, member-focused technology solutions.

Foremost among these initiatives was the Board's approval of a new digital banking platform, scheduled for implementation in 2026. This next-generation solution delivers enhanced personalization, robust functionality, customization, flexibility, and advanced security through both the mobile app and eBranch. Architected as a modern, scalable platform, it is designed to integrate seamlessly with third-party vendors and adapt to the rapidly evolving technology and payments landscape. This new digital platform will provide an enhanced user experience, as well as improved efficiency and safety, positioning us for future growth.

At CEFCU, we take fraud detection and prevention very seriously. Keeping in mind the expansion of technological capabilities, we continually invest in advanced security measures and protections, such as advanced encryption and real-time monitoring to detect suspicious activity. Simultaneously, we train and empower our employees to recognize threats and question irregular activity. Through these combined efforts, we have stopped scams from causing members a financial loss.

A NATURAL SELECTION

Supporting existing borrowers during the 2025 wildfires required significant time, coordination, and hands-on engagement, but it exemplified the CEFCU difference in action. In the coming year, as those members begin to rebuild, we will continue our individualized involvement — protecting the investment of all our members.

For generations, our Credit Union has stood as a pillar of strength, security and financial value. As we reflect on our 75th anniversary, we take pride not only in how far we have come, but in the future we continue to shape. But this milestone is not defined by longevity alone. It is defined by the relationships we have built, the confidence we have earned, and our shared commitment to helping members move forward with purpose and security toward their financial goals.

***Serving our members is
what comes naturally at CEFCU.***



STATEMENTS

FINANCIAL CONDITION

December 31,	2025	2024
ASSETS		
Loans, net of allowance for credit losses	\$ 653,973,863	\$ 591,878,417
Cash on hand and demand accounts	120,430,030	222,071,759
Investments, net	1,370,897,419	1,270,337,582
Accrued income	5,895,394	4,832,675
Fixed assets, net	10,290,617	10,669,567
Other assets	5,981,825	2,643,372
	<u>\$ 2,167,469,148</u>	<u>\$ 2,102,433,372</u>
LIABILITIES AND MEMBERS' EQUITY		
Accounts payable and accrued expenses	\$ 6,695,311	\$ 6,032,321
Members' shares	1,600,768,609	1,538,509,918
Borrowed funds	350,000,000	350,000,000
Net worth	210,005,228	207,891,133
	<u>\$ 2,167,469,148</u>	<u>\$ 2,102,433,372</u>

INCOME AND EXPENSE

For the years ended December 31,	2025	2024
INTEREST INCOME		
Interest on loans	\$ 29,591,000	\$ 26,699,656
Interest on investments	49,307,875	50,293,331
	<u>\$ 78,898,875</u>	<u>\$ 76,992,987</u>
COST OF FUNDS		
Interest on borrowed funds	\$ 14,350,277	\$ 14,000,583
Members' dividends	\$ 44,183,563	\$ 44,741,588
Net interest income	\$ 20,365,035	\$ 18,250,816
Provision for credit loss expense	\$ -0-	\$ -0-
Other operating income	\$ 1,261,316	\$ 1,062,154
Other non-operating income (expense)	246,653	350,362
	<u>\$ 1,507,969</u>	<u>\$ 1,412,516</u>
OPERATING EXPENSES		
Compensation	\$ 9,029,820	\$ 8,401,723
Employee benefits	3,418,967	3,191,185
Education and conference	412,465	361,716
Association dues	123,986	126,480
Office occupancy	809,169	744,272
Office operations	2,316,860	2,249,403
Marketing and promotions	504,909	380,719
Loan servicing	873,235	812,720
Professional and outside services	1,890,535	1,714,325
NCUA operating fee	376,303	388,794
Miscellaneous	2,659	2,086
	<u>\$ 19,758,908</u>	<u>\$ 18,373,423</u>
NET INCOME	<u>\$ 2,114,096</u>	<u>\$ 1,289,909</u>

The 2025 Statements above are unaudited. An independent, certified opinion audit is currently in process.



SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is an audit committee composed of Credit Union members who are appointed by the Board of Directors. Our primary responsibility is to ensure that member funds and interests are protected.

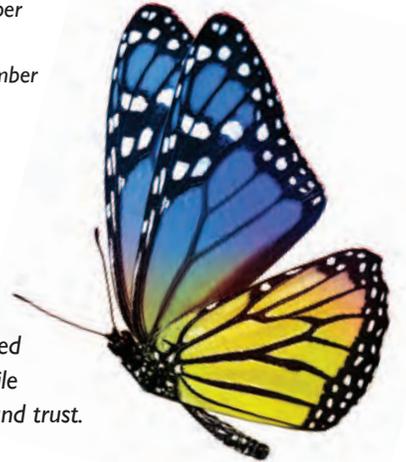
In pursuit of this goal, the Supervisory Committee's activities include: participation in the monthly Board of Directors' meetings; bi-monthly meetings of the Supervisory Committee to review financial performance and overall financial health of the Credit Union; and periodic audits of accounts, policies, procedures and internal controls.

To assist in our review of the Credit Union and in accordance with regulatory requirements, the Supervisory Committee engaged the independent accounting firm of Richards & Associates, CPAs, to perform the annual certified audits. An opinion audit was completed in 2025 for the year of 2024. The 2025 audit is currently in process.

The Committee has also engaged the CPA firm of TWHC to provide the internal audit function on a regular ongoing basis. In addition to these reviews, the National Credit Union Administration (NCUA) performs a regulatory examination on a regular basis. The results of all reviews to date give us confidence that the Credit Union is in compliance with applicable regulations, safeguarding members' assets, and following policies and procedures approved by the Credit Union Board of Directors.

SUPERVISORY COMMITTEE

- THERESA SLOWSKEI, *Chair*
- ALEEN BOLADIAN, *Member*
- WALTER BOYD, *Member*
- BRIAN CORCORAN, *Member*
- DEBBIE LEE, *Member*



MISSION STATEMENT

CEFCU provides superior value with unsurpassed service through selected financial products while maintaining our tradition of stability, security, and trust.

CORE VALUES

MEMBERS FIRST — *We always place the best interests and welfare of our members first.*

FINANCIAL STRENGTH — *We never compromise the financial strength and security of the organization.*

ETHICS — *We conduct all activities with honesty and integrity.*

IMPORTANCE OF PEOPLE — *We promote the well-being of our members, volunteers, and employees.*

LA CAÑADA OFFICE

528 Foothill Boulevard
PO Box 11001
La Cañada Flintridge, CA 91012-6001
800/592-3328 • 818/952-4444

REAL ESTATE LOAN CENTER

801 Foothill Boulevard
PO Box 11001
La Cañada Flintridge, CA 91012-6001
800/592-3328 ext. 404

JPL OFFICE

4800 Oak Grove Drive
Building 291
Pasadena, CA 91109
818/354-3280

CAMPUS OFFICE

1200 East California Boulevard
Pasadena, CA 91125
CIT 100-63
626/395-6300

WEBSITE

www.cefcu.org

ATM LOCATIONS

La Cañada Office
Caltech Campus (2 Locations)
Lee F. Browne Dining Hall • Keith Spalding Bldg.
The Huntington
JPL (3 Locations)
Building 303 • Building 291 • Building 167

