

**Partnership Financial Credit Union
68TH Annual Meeting**

Thursday, February 26, 2026



Chair Report

2025 - What an exciting educational, financial, and successful year for PFCU.

The Illinois Credit Union League (ICUL) hosted its 95th Annual Convention and was attended by members of our proactive Board as well as senior staff. The Annual Convention is a great opportunity to stay current on Credit Union news, as well as be informed on the future of credit unions, and provide insights on goals and strategies. The theme this year was **“One Mission, One Voice.”**

During our 2026 Strategic Planning Session, we heard from two outside speakers. One speaker presented on AI and how Credit Unions can benefit from its usage. The second speaker, from Waident Technology Solutions, PFCU’s IT firm, provided our Board with the annual report on PFCU’s Information Security program and Cyber Security updates, as well as goals and strategies to prepare for various potential issues that may arise with the advent of AI. Rest assured, providing our members with the most stringent and heightened security protections is our priority. We will work closely and diligently with our IT firm as we vet different AI programs. While we understand that the use of automation is inevitable and at the forefront of AI, PFCU’s goal is to balance technology advancements with the personal and human touch that we pride ourselves on bringing to our members. Our staff, not automated machines, will continue to answer phones and to always greet our members with a smile.

Throughout the year, the Board of Directors was given the following updates on implementing projects and refining processes that improved efficiency, enhanced member experience, and supported organizational goals. The following are just a few examples of those impactful updates: Revised Membership and Business New Membership Agreements, Strengthening Digital Security, Installing and Requiring Multifactor Authentication for Online/Mobile Banking, Implementing New Services such as Zelle and Tween/Teen Checking, Staffing changes as a result of Retirements, Promotions and New Hires, ICUL Grants supporting financial education programs, and the Rising Star Scholarship’s new Online Platform along with an increase of Scholarship Funding to \$46,000. Balancing between providing our members with in-person services while keeping up with digital and technological advancements and access is of utmost importance.

Service to our members is not only provided in a professional manner, but also in a friendly, family manner. Personable and reliable service to our members is our priority. Our member services include in-person availability at our six locations – Barrington, Des Plaines, Evanston, Franklin Park, Morton Grove, and at our Triton College location in River Grove. Additionally, 4 of our 6 offices (Des Plaines, Franklin Park, Morton Grove, and Triton College) have ATMs available 24-7.

We hosted Shred Days at three of our offices so that members could dispose of sensitive, personal documents safely. Each office organized a Food Drive and collected monetary donations from



our staff and members during the Government shutdown. Monetary donations from our generous members and staff totaled \$4,625. PFCU rounded up its matched donation to \$5,375, delivering a donation check to The Greater Chicago Food Depository, totaling \$10,000. Last, but certainly not least, on National First Responders Day, to honor our amazing first responders, PFCU dropped off a variety of bakery muffins to each of our police and fire stations.

Our executive leadership team, led by Mary Ann Pusateri, CEO, Marisa Conforti, Chief Operations and Strategy Officer (COSO), and Theresa Guerriero, Chief Lending Officer (CLO), was diligent in keeping the Board informed about historical data and current events that affect our membership.

Moreover, on behalf of the Board of Directors, it is with great pleasure to honor our retiring staff: Theresa Guerriero, CLO (12.5 years), Sherry Scott, Senior Financial Services Representative (23 years), and Heidi Placuszok, Operations Manager (16.4 years).

Unfortunately, we were greatly saddened by the passing of one of our very own esteemed Board Members, Eugene McCormick, who volunteered his services for 35 years.

I am encouraged by the awesome members of the Board of Directors. I appreciate their commitment, knowledge, and wisdom. I sincerely thank all of them for their support of our membership and our great staff!

Respectfully submitted,

Vanessa J. Calloway, Board Chair



Supervisory Report

In accordance with the Illinois Credit Union Act and Partnership Financial Credit Union's Bylaws, the Supervisory Committee exercises its independent credit union oversight through the engagement of external and internal auditors. In 2025, to ensure that we keep our commitment to our members, PFCU underwent nine independent audits, internal and external combined. With each audit, PFCU received a positive or a clean audit, confirming that PFCU is in complete compliance and financially sound.

The Supervisory Committee has retained the services of Wipfli LLP to perform the annual audit. The purpose of this required audit is to obtain an auditor's opinion of PFCU's financial statements and to confirm that PFCU conforms to U.S. Generally Accepted Accounting Principles (GAAP) as well as meets the requirements of our Regulators at the Illinois Department of Financial and Professional Regulation (IDFPR) and the National Credit Union Administration (NCUA), our Deposit Insurance. In addition, the auditors perform a verification of member accounts as well as a review of the performance of the credit union. The results of this audit were presented to the Board in March 2025. The results indicated that PFCU operates in a financially sound manner and in compliance with all applicable rules and regulations.

The committee also engaged the Illinois Credit Union League (ICUL), an association for credit unions, to perform the Bank Secrecy Act (BSA) audit and our annual Safe Act audit. Along with the above two audits, ICUL also performed a series of four additional independent internal audits within the departments of Accounting, Mortgage Lending, Operations, and Information Security. Additionally, the committee contracted with Robin Robinette and Associates, an independent auditor, to perform the Automatic Clearing House (ACH) audit. Lastly, as a member of the Federal Home Loan Bank, we utilized their Mortgage Partnership Finance Program, which also conducts an audit annually. These nine audits carried out in 2025 fulfilled our audit responsibilities and PFCU's commitment to its members to adhere to mandated financial regulations as required.

I would like to thank the committee members, Howard Bultinck, Katherine France, and Walter John, for their time and efforts throughout the year serving on the Supervisory Committee. In addition, the committee would like to express its appreciation to the management team and to the staff of PFCU.

Respectfully submitted,

Michael Graham, Supervisory Committee Chair



Executive Finance Report

Partnership Financial Credit Union's (PFCU) primary objective is to provide its members with a variety of financial and loan products to meet all their needs. Funds that are not utilized for member loans or product enhancements are invested in Corporate Credit Unions, Certificates of Deposit, U.S. Government Securities, Annuity Investments, Municipal Bonds, and Bank Notes.

PFCU's assets increased in 2025 due to steady growth in both loans and shares. During the year, our assets increased in dollars for both loans and shares by at least \$17.5 million.

We continue to utilize the services of McQueen Financial Advisors, an independent Investment and Asset Liability Management firm, to provide investment options and to assist the credit union's Asset Liability Management. McQueen also provides quarterly reports, which are presented to the Credit Union Board to ensure that PFCU is diligently and responsibly managing financial and operational risks.

As treasurer, I am pleased to report that in 2025, PFCU's Investment Portfolio earned just under \$6 million, which is an approximate annual yield of 3.33%; whereas our Loan Portfolio earned just over \$8.8 million with an approximate annual yield of 5.19%. Additionally, the credit union's Equity Ratio grew to 12.24%, which is considered well capitalized by the Illinois Department of Financial and Professional Regulations (IDFPR) and the National Credit Union Association (NCUA), which are Regulators and Insurance providers, respectively.

PFCU rigorously strives to offer our members the most competitive products and services while maintaining our financial stability.

I congratulate the Directors, committee members, and staff on all their hard work in 2025, and I look forward to a prosperous 2026 that financially benefits our members.

Respectfully submitted,

Leonard Ackman, Treasurer

Scholarship Report

PFCU's scholarship program, The Rising Star Scholarship, was established in the year 2000. Since its inception, 285 Scholarships, totaling \$378,000, have been awarded to graduating high school seniors. One of the criteria for the recipients is that they or their parent/guardian be a member of PFCU no later than the beginning of the applicant's senior school year. Applicants must exhibit four key traits: **P**assion, **F**ocus, **C**harity, and **U**niqueness (**PFCU**) in their educational journey.

Applications were made available from mid-December 2024 until mid-March 2025. The evaluation process was completed by mid-April. Each applicant is notified individually with congratulations or regrets in May. A press release was issued in May congratulating the recipients and wishing them success in their future endeavors, whether it is in a continuing education program at a two-year community college, trade school, vocational or life skills program, or a four-year university. A presentation of the scholarships was made at the high school's Annual Award Ceremony for seniors. PFCU also congratulated our scholarship recipients via our social media platforms in addition to posting a montage of photos on PFCU's website. Applicants who were not awarded a scholarship did not go unacknowledged. PFCU provided a college swag bag to recognize their achievements, to thank them for their application, and to wish them well in their future endeavors.

In 2025, the scholarship committee had the exciting opportunity to receive applications through its online portal and to evaluate applications on a rolling basis, making it more efficient not only for the applicant but also for the Scholarship committee. 60 online applications were received. 47 applications were submitted to the committee for scholarship consideration. A total of \$46,000 was awarded to 37 outstanding individuals in increments ranging from \$1,000 to \$2,500. The committee was thoroughly impressed with all the applicants, making it a difficult decision to select the final recipients. The PFCU Board was informed by the CEO that "PFCU has one of the largest scholarship programs [in Illinois] amongst all the different credit unions, even the billion-dollar credit unions." Our vision for the future is to continue our support of many more outstanding students as we foresee a continued increase in applications in the coming years.

In closing, the scholarship committee would like to thank Betty Fallos, Director of Member Experience, for her guidance and support in seamlessly transitioning PFCU's Scholarship program from paper application to our successful online platform. Additionally, thank you to the members of the scholarship committee: Michael Graham, William Porter, and Joe Thomas, for their commitment to the selection process.

Respectfully submitted,

Vanessa J. Calloway, Scholarship Committee Chair

Lending Report

During the 2025 reporting year, the Loan Department at Partnership Financial Credit Union navigated a challenging and evolving economic environment while continuing to support member borrowing needs, diversifying the loan portfolio, and maintaining disciplined growth. Despite persistent interest rate pressures impacting certain segments, the department demonstrated resilience through strong consumer loan performance, strategic participation in loan activity, and selective credit card initiatives.

The Mortgage Department originated \$3.9 million for 13 member loans-12 new home purchases and 1 refinance loan-toward its annual goal of \$7.5 million. Mortgage production remained constrained throughout the year due to a prolonged flat-lined high-interest rate environment, which significantly dampened refinancing activity and reduced purchase demand. Elevated borrowing costs, limited housing inventory, and ongoing affordability challenges collectively slowed mortgage origination volume across the industry. In spite of these headwinds, the department maintained prudent underwriting standards and remains positioned to respond quickly as rate conditions normalize.

Consumer lending was a standout performer in 2025, achieving 122% of its annual goal. Against a target of \$41 million, total consumer loan originations reached \$50.1 million. This strong performance reflects sustained member demand, competitive pricing, and effective loan promotion strategies. Growth in this segment contributed meaningfully to overall portfolio balance and income diversification while reinforcing the credit union's commitment to meeting everyday member financial needs.

Participation loan purchases continued to play an important role in portfolio strategy and continued diversification. During the year, the credit union originated \$9.6 million in participation loans, working with a diverse group of trusted partners, including Rhyze, Alloya, LoanStreet, and Member's First. These relationships enabled Partnership Financial Credit Union to manage concentration risk, deploy liquidity efficiently, and access high-quality loan opportunities while maintaining prudent risk oversight.

VISA credit card balance transfer activity totaled \$802,000 for the year. These transfers supported member financial relief by offering lower-cost alternatives to high-interest external credit cards while also strengthening card portfolio balances and deepening primary financial institution relationships.

Looking ahead, Partnership Financial Credit Union anticipates a gradual shift in economic conditions, including potential interest rate adjustments, evolving consumer borrowing behavior, and continued regulatory and competitive pressures. The Loan Department is preparing for these trends by maintaining strong underwriting discipline, monitoring credit quality indicators, expanding product flexibility, and leveraging strategic partnerships. As economic conditions



evolve, the department remains focused on balancing growth opportunities with sound risk management to support long-term financial stability while providing members with loan opportunities.

PFCU is committed to providing our members with the tools and programs necessary to keep their financial future bright and secure. PFCU continues to explore new lending options that will best serve our members.

I would like to thank the Board of Directors and the Lending team at PFCU for their continued support, direction, and hard work to help us achieve the growth that we have realized.

Respectfully submitted,

Seth London, Director of Consumer Lending

2025 Directors, Officers and Committee Members

<p>Executive Committee</p> <p>Chair Vice Chair Treasurer Secretary</p>	<p>Vanessa J. Calloway William Porter Leonard Ackman Patrick Flader</p>	<p>Charitable Committee</p> <p>Chair Member Member Member</p>	<p>Patrick Flader Michael Graham William Porter Joe Thomas</p>
<p>Supervisory Committee</p> <p>Chair Member Member Member</p>	<p>Michael Graham Walter John Howard Bultinck Katherine France</p>	<p>Asset Liability Committee</p> <p>Katherine France</p>	
<p>Scholarship Director</p> <p>Chair Member Member</p>	<p>Vanessa J. Calloway Michael Graham Joe Thomas</p>		
<p>Governance and AI Committee</p> <p>Chair Member Member Member</p>	<p>William Porter Patrick Flader Walter John Mike Vilches</p>		

Financial Statements

Balance Sheet			
	12/31/2025	12/31/2024	% Growth
Assets			
Total Consumer Loans	\$51,861,000	\$53,833,000	
Visa Credit Card Loans	\$5,405,000	\$5,540,000	
Home Equity Loans	\$49,077,000	\$34,518,000	
First Mortgages	\$51,428,000	\$53,057,000	
Business Loans	\$13,189,000	\$6,375,000	
Reserve for Loan Losses	\$1,330,000	\$1,204,000	
Net Loans	\$169,630,000	\$152,119,000	11.51%
Cash	\$4,879,000	\$12,012,000	
Investments	\$194,182,000	\$187,041,000	
NCUA Share Insurance Deposit	\$3,269,000	\$3,054,000	
CU Building & Land	\$6,501,000	\$6,619,000	
Other Assets	\$5,571,000	\$5,672,000	
Total Assets	\$384,032,000	\$366,517,000	<u>4.78%</u>
Short Term Loans	\$0	\$0	
Other Liabilities	\$2,064,000	\$2,521,000	
Total Liabilities	\$2,064,000	\$2,521,000	<1.81%>
Shares			
Regular Shares	\$158,485,000	\$147,357,000	
Partner Plus	\$26,027,000	\$24,594,000	
Certificates of Deposit	\$81,334,000	\$85,599,000	
Checking Accounts	\$64,015,000	\$61,115,000	
Kids Accounts	\$1,383,000	\$1,449,000	
Holiday Accounts	\$78,000	\$71,000	
Vacation Accounts	\$410,000	\$474,000	
IRA Accounts	\$2,482,000	\$2,200,000	
IRA Certificates	\$1,559,000	\$2,096,000	
Escrow	\$0	\$0	
Total Shares	\$335,773,000	\$324,955,000	3.33%
Equity	\$41,637,000	\$36,393,000	14.41%
Net Gain	\$4,558,000	\$2,648,000	72.13%
Total Shares and Equity	\$384,032,000	\$366,517,000	4.78%
*\$320,500 Sale of building – Actual <4.5%			

Income Statement

	2025	2024	% Growth
Income			
Interest on Consumer Loans	\$3,772,000	\$3,994,000	
Interest on Real Estate Loans	\$5,058,000	\$4,204,000	
Total Interest on Loans	\$8,830,000	\$8,198,000	
Earnings on Investments & Cash	\$10,825,000	\$9,911,000	
FM Sales Income	\$90,000	\$107,000	
Interchange Income	\$527,000	\$470,000	
Fees	\$320,000	\$383,000	
Other Income	\$526,000	\$380,000	
Total Operating Income	\$21,118,000	\$19,449,000	5.58%
Expenses			
Employee Salaries & Benefits	\$4,096,000	\$3,923,000	
Conference & Travel	\$40,000	\$36,000	
Checking, ATM, Debit Expense	\$5,104,000	\$5,738,000	
Office Operations	\$935,000	\$904,00	
Total Promotional Expense	\$228,000	\$206,000	
Depreciation Expense	\$356,000	\$307,000	
Loan Processing & Servicing	\$526,000	\$531,000	
Provision for Loan Losses	\$430,000	\$334,000	
Insurance	\$119,000	\$109,000	
Occupancy Expenses	\$633,000	\$565,000	
Total Operating Expense	\$12,467,000	\$12,653,000	<1.47%>
Income from Operations	\$8,651,000	\$6,796,000	27.30%
Total Dividend Expense	\$3,786,000	\$3,857,000	<1.84%>
CDI Authorization	\$307,000	\$291,500	5.50%
Net Income	\$4,558,000	\$2,648,000	72.13%

Directors Years Served

	Cardinal Year	Years of Service
Walter John	1967 - 1968 / 1974 - 2014 / 2018	49
Len Ackman	1987	39
Katherine France	1997	29
Joe Thomas	1997	29
Michael Graham	1998	28
Vanessa J. Calloway	2008	18
Mike Vilches	2012	14
Patrick Flader	2019	7
William Porter	2019	7

Members

Howard Bultinck	1994 - 2015 – Board Member	24
	2015 – Supervisory Committee	11

Benefits of Membership

Accounts

- Savings
- High Yield Savings
- Checking – No Big Strings checking, Checking Plus and Teen checking.
 - Free ATMs & Fee Refunds
- Individual Retirement Accounts (IRA)
- Certificate of Deposit (CD)
- Business Accounts
- Club Accounts
 - Kids
 - Vacation
 - Holiday
 - Summer

Loans/Credit Cards

- 1st Mortgage Access
 - Down Payment Assistance Program
- Home Equity
- VISA Credit Cards
- Vehicle/RV/Watercraft
- Personal
- Student

Digital Services

- ATM/Debit Cards
- It's ME-24/7 Online Account Access
 - Mobile Deposit with App
 - Mobile App
 - Debit Card Control
 - Bill Pay
 - E-Statements
 - SavvyMoney – Free Credit Score
- 24/7 Telephone Access
- Direct Deposit & Payroll Deductions
- Zelle
- Visa Online Access
- Apple Pay/Google Pay/Samsung Pay
- Mobile Text Banking – Texts and Alerts
- Quickbooks/Quicken

Additional Products and Services

- College Scholarship Program
 - Graduating High School Seniors
- Drive Thru
 - Des Plaines, Morton Grove & Franklin Park Offices
- GreenPath Financial Wellness Online Programs
- Night Depository
 - Des Plaines, Morton Grove & Franklin Park Offices
- Safe Deposit Boxes
 - Des Plaines Offices
- ***Fee-Free Services***
 - Coin Counting
 - U.S. Postage Stamps
 - U.S. Savings Bond Redemption
 - Medallion Stamp Signature Guarantee
 - Signature Validation
 - Notary Service
 - eFax Service
- ***Services with Minimal Fees***
 - VISA Gift Cards – First 5 per Month Free!
 - VISA Travel Cards
 - Vehicle License Plate Sticker Renewal Program
 - Wire Transfers
- ***Discounted Services***
 - WheelZone Car Buying Service
 - Movie Tickets
 - Amusement Park Tickets
 - Financial Planning
 - Insurance Products/Trustage
 - Love my Credit Union
 - TMobile
 - Trust & Will
 - Turbo Tax Service/H&R Block

Membership Report

Checking Account Totals at Year End 2025

Savings Account	15,982
High Yield Savings/Partner Plus	621
CD Accounts	2,234
IRA Savings	179
IRA CD Accounts	65
Secondary Share	1,622
Kid's Accounts	603
Holiday Accounts	381
Vacation	250

Membership Account Totals at Year End 2025

Checking Accounts	8,204
Checking Plus	338
Business Checking	92

Electronic Numbers 2025

Mobile Web Active Users	4,852
Online Banking Active Users	4,787
Text Banking Active Users	1359
Audio Banking Active Users	126
E-Statement Users Enrolled as of 12-31-2025	13,042



**2026 Board of Directors
Nominating Committee
Proposed Slate**

SLATE of DIRECTORS TO BE ELECTED FOR 3 YEAR TERM, ENDING 2029

Vanessa J. Calloway
Joe Thomas
Mike Vilches

Continuing Terms

2 YEARS REMAINING OF A 3 YEAR TERM, ENDING 2028

Patrick Flader
Michael Graham
William Porter

1 YEAR REMAINING OF A 3 YEAR TERM, ENDING 2027

Len Ackman
Katherine France
Walter John

ASSOCIATE DIRECTOR, 1 YEAR TERM, ENDING 2027

Theresa Guerriero