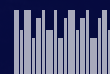




2025 Annual Report

BUILDING WHAT'S AHEAD OF YOU

Federal Credit Union · Washington, DC · Maryland · Virginia



Chairman & President's Report 2025

Our Year in Review



2025 was a year of renewed momentum and meaningful accomplishments, all designed to strengthen the experience for our members.

Throughout the year, we focused on advancing our service delivery, deepening community engagement, and strengthening our operational foundation — all with one overarching goal: to provide a modern, member-centered financial experience that helps individuals and families make confident decisions about their financial futures.

This year, we took major steps to strengthen Signal Financial's infrastructure to support increased long-term growth, sustainability and member service, following the successful sale of our Kensington building. This advances our plans for a new Silver Spring branch, conveniently located, which will serve as a key hub for individual and commercial customers' engagement.

Throughout 2025, we improved how members interact with Signal Financial. Enhancements to our lending operations, digital infrastructure, and service delivery allowed us to respond quicker and more efficiently to members. Our lending teams delivered their strongest results in the fourth quarter, supported by improved collaboration, refined processes, and a continued focus on responsible credit access.

Membership growth also remained a priority. Community engagement efforts—including outreach at Howard University and Leisure World, as well as participation in local events—helped strengthen brand awareness and expand our reach within the communities we serve. It's working; we've been adding almost 100 new members a month.

Protecting our members remained essential as well. In 2025, we strengthened our fraud-prevention framework through enhanced controls, monitoring, and education, helping safeguard member accounts in an increasingly complex risk environment.

None of this progress would have been possible without the dedication of our employees, whose professionalism and commitment continue to shape the member experience each day. We also extend our gratitude to the Board of Directors and Supervisory Committee for their leadership and stewardship. Thank you for your trust in Signal Financial Federal Credit Union. We look ahead to 2026 with confidence, focused on building stronger relationships, smarter solutions, and a future that helps our members thrive.



Ken Cahoon
President & CEO



Andrew Mekelburg
Chairman of the Board of Directors

↑ **\$3.1M net income** — one of Signal's strongest earnings years in recent history

⊕ **\$854K+ fraud prevented** through enhanced controls & member education

⊕ **797 new members** welcomed with strong Q4 momentum

The Signal Effect

2025 Member Impact Statement



2025 MEMBER IMPACT

"EVERY DECISION WE MADE IN 2025 WAS DESIGNED TO MAKE SIGNAL FINANCIAL STRONGER FOR YOU — THE MEMBER. STRONGER CAPITAL MEANS STRONGER PROTECTION. STRONGER EARNINGS MEAN STRONGER DIVIDENDS. STRONGER PARTNERSHIPS MEAN A STRONGER COMMUNITY."

— Ken Cahoon, President & CEO

RETURNED TO MEMBERS

\$3.9M

Paid in dividends & interest on members' share and savings accounts

FRAUD LOSSES PREVENTED

\$854K+

Enhanced fraud controls & monitoring

In potential member losses stopped through stronger controls

NEW MEMBERS WELCOMED

797

Strong Q4 growth

Joined Signal Financial in 2025 with strong Q4 momentum

NET INCOME

\$3.1M

One of Signal's strongest earnings performances in recent years

NET WORTH RATIO

9.17%

NCUA Min 7%

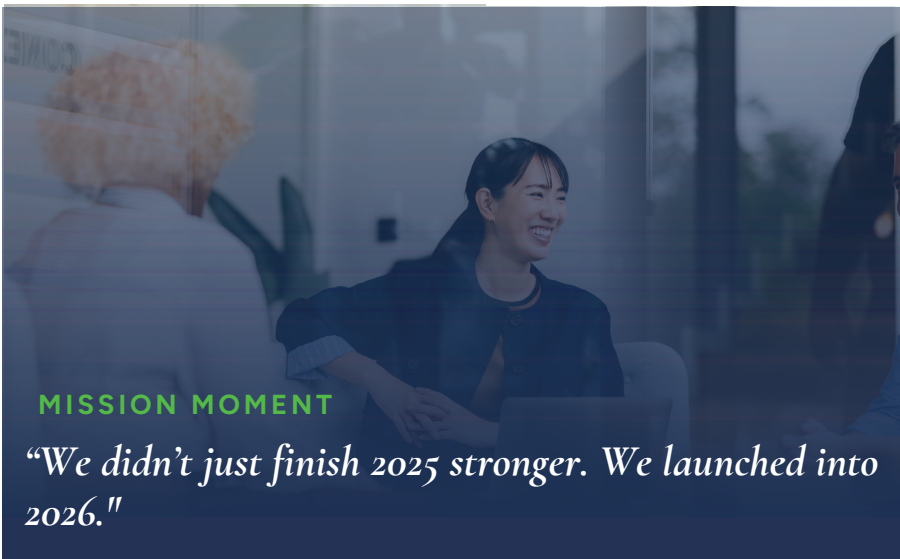
Well above NCUA's 7% well-capitalized threshold

MEMBERS' EQUITY

\$28.4M

+\$6.6M from \$21.8M in 2024 ↑

Members' equity grew \$6.6M — the strongest position in years



MISSION MOMENT

"We didn't just finish 2025 stronger. We launched into 2026."

LOOKING AHEAD · 2026 PRIORITIES

- 1 Activate the new Silver Spring branch hub
- 2 Build on consumer & mortgage lending momentum
- 3 Expand fraud prevention & member education
- 4 Deepen community engagement & membership growth
- 5 Maintain disciplined capital, liquidity & risk management
- 6 Strengthen digital services & contact center

Treasurer's Report



Signal Financial Federal Credit Union is committed to being our members' lifelong financial partner. In 2025, we continued to focus on strengthening the credit union's financial position while responding thoughtfully to evolving market conditions and member needs.

During the year, we provided competitive returns to our members through our share and savings products while continuing to improve our overall financial performance. Our results were supported by disciplined expense management, prudent lending and balance-sheet strategies, and the successful sale of the credit union's headquarters building, which enhanced liquidity and capital flexibility.

Lending activity remained stable, with strength in consumer and mortgage lending toward the latter part of the year. At year-end, Signal Financial reported a **net worth ratio of 9.17%**, well above the NCUA's 7% well-capitalized threshold — a strong indicator of financial health.

Signal Financial closed 2025 with **\$381,328,463 in total assets**. The credit union achieved **net income of \$3,118,127** in 2025, reflecting one of the strongest earnings performances in recent years. Results were driven largely by the benefit of the building sale, continued operational discipline, and focused risk management. Returning value to our members remains at the core of our mission. In 2025, we paid **\$3.9 million in dividends** on members' share and savings accounts, reflecting our continued commitment to rewarding member relationships while maintaining financial strength.

We look forward to 2026 with confidence as we continue to offer smart solutions and remain focused on helping our members be Signal Smart™ about their financial futures.



Mary McCormick
Treasurer

SUPERVISORY COMMITTEE'S REPORT

The role of the Supervisory Committee is to protect member assets and ensure they are properly safeguarded. The Committee provides oversight of internal controls, examination activities, and the accuracy and integrity of the credit union's financial records.

The 2025 financial audit is being conducted by Baker Tilley and is in process. Management addressed prior regulatory matters, and the NCUA lifted the temporary commercial lending moratorium in September 2025.

The Committee monitored compliance areas including Bank Secrecy Act (BSA) oversight, Suspicious Activity Report (SAR) processes, and overall regulatory adherence. We appreciate the cooperation and professionalism demonstrated by management and staff in fulfilling these responsibilities.



Yolanda Arrington
Supervisory Committee Chairperson

\$
\$381M
Total Assets

↑
\$3.1M
Net Income

%
9.17
Net Worth Ratio

★
\$28.4M
Members' Equity

Statement of Financial Condition

December 31, 2025 and 2024



Total Liabilities and Members' Equity

\$381,328,463
2025

\$392,437,246
2024


Assets

	2025	2024
Cash and Cash Equivalents	\$27,021,874	\$21,433,794
Securities – Available-for-Sale	\$48,885,042	\$56,315,455
Other Investments	\$1,699,800	\$762,300
Loans, Net	\$282,662,635	\$290,268,564
Accrued Interest Receivable	\$936,240	\$1,103,349
Premises and Equipment, Net	\$3,211,543	\$5,779,323
NCUSIF (National Credit Union Share Insurance Fund) Deposit	\$2,903,835	\$3,255,300
Credit Union Owned Life Insurance	\$4,008,347	\$3,893,630
Operating Lease Right of Use Assets	\$1,525,861	\$1,900,190
Other Assets	\$8,473,284	\$7,725,340
Total Assets	\$381,328,463	\$392,437,246



Liabilities and Members' Equity

	2025	2024
Liabilities		
Members' and Nonmembers' Share and Savings	\$314,346,860	\$331,005,330
Borrowed Funds	\$30,000,000	\$30,000,000
Accrued Interest Payable	\$107,565	\$922,225
Reserve for Unfunded Commitments	\$200,000	\$200,000
Accrued Expenses and Other Liabilities	\$6,688,246	\$6,740,443
Operating Lease Liabilities	\$1,603,104	\$1,968,545
Total Liabilities	\$352,945,775	\$370,636,543
Member Equity		
Undivided Earnings	\$31,830,884	\$31,806,074
Net Income	\$3,118,127	\$24,809
Accumulated Other Comprehensive Loss	\$(6,566,323)	\$(10,030,181)
Total Members' Equity	\$28,382,688	\$21,800,703

Statement of Operations

Year-End December 31, 2025 and 2024



Net Income

\$3,118,127
2025

\$24,809
2024



Interest Income

2025

2024

Loans	\$15,512,259	\$16,685,964
Investments and Cash Equivalents	\$1,682,591	\$1,690,940
Total Interest Income	\$17,194,850	\$18,376,904



Interest Expense

Members' and Nonmembers' Share and Savings Accounts	\$3,916,235	\$5,463,993
Interest on Borrowed Funds	\$1,139,975	\$1,384,468
Total Interest Expense	\$5,056,210	\$6,848,461
Net Interest Income	\$12,138,640	\$11,528,444



Provision for Loan Losses

Provision for Loan Losses	\$ —	\$ —
Net Interest Income After Provision for Loan Losses	\$12,138,640	\$11,528,444



Non-Interest Income

Service Charges and Fees	\$2,848,250	\$2,719,492
Other Non-Interest Income	\$401,434	\$527,468
Net Gain on Sale of Assets	\$3,967,134	\$1,376,512
Net Gain on Sale of Loans	\$ —	\$ —
Total Non-Interest Income	\$7,216,818	\$4,623,471



Non-Interest Expense

General and Administrative: Employee Compensation and Benefits	\$7,956,340	\$7,855,665
Office Occupancy and Operations	\$4,565,445	\$4,212,713
Other Operating Expenses	\$3,715,545	\$4,058,728
Total Non-Interest Expense	\$16,237,330	\$16,127,106

BOARD OF DIRECTORS

Andrew Mekelburg	Chair
Jon Morrison	Vice Chair
Mary McCormick	Treasurer
Frank Qualls	Secretary
Mark Fieni	Director
Tammy Jeffers	Director
Laura Groat	Director

SUPERVISORY COMMITTEE

Yolanda Arrington	Chairperson
Gregory Billing	Member
Brian Brown	Member
Tina Belani	Member
Ronald Dennis	Member

BRANCH LOCATIONS

MARYLAND

Kensington Branch

3015 University Boulevard West, Kensington, MD 20895

Leisure World Branch

3701 Rossmoor Boulevard #200, Silver Spring, MD 20906

VIRGINIA

One Loudoun Branch

44747 Brimfield Drive, Ashburn, VA 20147

WASHINGTON, DC

City Center Branch

1101 New York Avenue NW, Washington, DC 20005



Signal Financial Federal Credit Union
 3015 University Blvd. Kensington, MD 20895
 301-933-9100
signalfinancialfcu.org