



2024 Annual Report



A MESSAGE TO OUR MEMBERS

We open this message with heartfelt thanks to Paul Stuart, who retired from the Credit Union ONE Board of Directors in May 2024. Paul served on the Board for 39 years. He was the Board Chairperson for 13 years, and served as Vice Chairperson and on several committees. Paul's positive impact on the credit union cannot be measured. We are pleased he will continue to provide leadership, guidance, and support as Director Emeritus. We also wish to thank John Beeskow, Jainender Jain, and Mike Timm, who were appointed to serve as Associate Directors in late 2023. These three talented individuals have brought a new level of energy, skills, and backgrounds into our Boardroom that position us well for the future.

Finally, and with heavy hearts, we recognize the tragic loss of Dave Ferrante. Dave was an employee for 25 years, known by everyone for his kind and gentle demeanor and an unending willingness to help anyone at any time. This annual report is dedicated to Dave Ferrante and his long-lasting, positive impact on our organization.

We are pleased to report that your Board of Directors continues its efforts to ensure the long-term financial strength and viability of Credit Union ONE by remaining true to its cooperative principles and operating consistently with our Core Values that have guided the organization for over 85 years. During 2024, the Board completed a three-year review process, during which we updated and confirmed our strategic direction. We finalized this process with a review of the Stronger Community vision, which was approved by the Board of Directors in late 2024. This initiative will promote a deeper and more comprehensive presence in the communities we serve, with an emphasis on member financial education. We continue to make progress on our Digital First, ONE Experience, and Going the Extra Mile visions, which ensure we remain focused on being relevant to our members in an increasingly competitive environment. Through these strategic visions, we continuously seek innovative solutions that differentiate ourselves in the marketplace. Our goal is to leverage innovation, not only to enhance and strengthen our value proposition to our members in the communities we serve, but also to continue to improve our operational efficiency.

FINANCIAL PERFORMANCE

Financial performance remained strong in 2024. The credit union achieved net income of \$15 million, which was a record for a second consecutive year. Because of a continued high-rate environment, we prioritized net interest margin over aggressive growth, while maintaining a strong financial position to ensure long-term sustainability. We consciously forecasted assets to remain relatively flat for the year, and we ended 2024 with assets of \$1.72 billion, a decline of just over 2%. Even with assets slightly declining, we originated more than \$365 million in loans for our members during the year. We continued to experience strong credit quality with delinquency and loan losses well below our peer group. Based upon a slight reduction in assets and very strong earnings, the credit union's net worth ratio exceeded 10%, continuing to make us well-capitalized.

MAINTAINING RELEVANCE

As the financial industry continues to evolve, maintaining relevance for both our members and employees is critical to our long-term success. To remain relevant, we must adapt to changing member needs, invest in our workforce, and strengthen our impact in the communities we serve. Member and employee relevance are constantly measured using surveys. We are pleased to announce that in 2024, the credit union earned the Great Places to Work designation, which is based upon employee survey feedback administered by a third party. Furthermore, the internal survey data indicated an average 92% satisfaction with each other's work. These results validate the investment we have made in our workforce and culture. In 2024, our members gave us a 94% satisfaction rating and a Net Promoter Score of 61. Both key performance metrics exceeded results for our

high performing peers. As part of our commitment to continuous improvement, we revised our member survey in 2024 to ensure we are asking the most relevant and impactful questions. These updates will allow us to better understand member experiences and identify opportunities for improvement.

During 2024, we continued to transform and redefine service delivery relevance through multiple updates to our mobile services, a complete refresh of our website, introduction of more flexible mortgage products, reduction or elimination of fees, greater access to investment advisory services through our partner Hantz Group, introduction of budget counseling services, and expanded hours through the deployment of additional Interactive Teller Machines (ITMs) throughout the state. We also continued to update and refresh our retail branch network by opening a beautiful new branch in Waterford. Additionally, we automated high-impact processes to not only further employee and member satisfaction but to strengthen our competitive advantage. This was a year of great accomplishments in a difficult environment, but we know our work is not done.

LOOKING FORWARD

As we look into 2025-26, our focus remains on sustaining the credit union's financial strength while ensuring we remain relevant in a highly competitive and challenging environment. We plan to focus on efforts that will sustain and improve upon our high levels of member and employee satisfaction through strategic investments in innovation, digital transformation, and operational excellence. We will complete the development of a new branch in Southwest Detroit that will move beyond providing financial services to what we envision will be an anchor for financial education and community events. Contact center services will be enhanced through a significant investment in artificial intelligence (AI) that will allow for 24/7 service and improve agent effectiveness. A seamless and engaging onboarding experience that improves member product and service knowledge and promotes digital self-service capabilities will be introduced in 2025. Finally, in the coming year, exciting new lending improvements that will simplify loan applications and allow for faster decisions and closings will be implemented. We will continue to review further automation opportunities and invest in our digital roadmap.

As we look toward the future, we recognize the ongoing economic challenges that impact our members. Continued inflation, elevated interest rates, and shortages in housing inventory contribute to an uncertain environment. Despite these challenges, Credit Union ONE remains committed to providing value to our members. We wish to thank our dedicated Board of Directors and the incredibly talented team of employees who made 2024 a success and give us great confidence in 2025 and beyond. Finally, we thank you, our membership, for your trust in our credit union and for your continued patronage.



Guadalupe Lara
Chairperson of the Board



Gary A. Moody
Chief Executive Officer

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is a standing committee of the Board of Directors. Directors serving on this committee during 2024 were Dave Prybys (Chairperson), Juanita Reid (Vice Chairperson), Ed Derbin, and Jan Gillespie. The role of the committee is to assist the Board of Directors in monitoring the following:

- Internal controls related to financial reporting and independent audits of the credit union's financial statements
- Qualifications and independence of auditors and the performance of internal auditors
- Enterprise risk standards
- Compliance with legal and regulatory requirements
- Compliance with Board policies and internal controls and procedures

The Audit Committee established a risk-based 2024 internal audit schedule and met quarterly with senior executives and audit professionals to review audit reports covering various operational areas of the credit union. In addition, the committee reviewed the credit union's Report of Examination from the Michigan Department of Insurance and Financial Services and the National Credit Union Administration. The committee is pleased to report that there were no material findings or weaknesses in controls identified in any audit or examination reports received and reviewed during the year.

The Audit Committee also engaged cybersecurity and audit firms to conduct penetration testing, vulnerability scans, and other data/technology control audits. The results of these tests and audits, which were also reported and reviewed by the Technology Committee of the Board of Directors, confirmed that the credit union's team and its processes conform to industry standards.

Finally, the Audit Committee engaged the certified public accounting firm Plante Moran to conduct the 2024 annual audit and verification of members. We are pleased to report that there were no material findings or identified weaknesses in controls. Condensed and consolidated financial statements for 2023 and 2024 are provided in this report for your review.

Respectfully,



David Prybys
Chairperson, Audit Committee



OUR PRINCIPLES



OUR MISSION STATEMENT

Credit Union ONE is committed to providing exceptional value to its members by delivering outstanding products and services anytime, anywhere.

OUR PURPOSE

To meet our members' financial service needs throughout their lifetimes.

OUR CORE VALUES

Integrity: Uphold the highest standards of conduct in all of our actions.

Respect: Treat people with dignity.

Financial Stewardship: Promote financial safety and soundness.

Member Commitment: Develop relationships that make a positive difference in our members' lives.

Employee Commitment: Value our employees, encourage development, and reward positive performance.

VALUE PROPOSITION

Accessible: Available when it's convenient for me.

They provide me with choices to perform transactions, find information, or receive trusted advice. Every interaction is consistent, secure, and fast, no matter how or when I choose to do my banking.

Easy: Banking that simplifies my life.

They respect my busy life by making banking easy. Everything is simple, clear, and easy to find; there are no surprises.

Meaningful: Solutions that add value.

They engage with me to truly understand my needs. Based upon my circumstances, I am offered relevant solutions that add value.

Dedicated: Acts in my best interest.

They act in my best interest, recognize me as a valued member, and sincerely provide great service. I can rely on them if I need help, and I know they will resolve any issue quickly.

Board of Directors



Guadalupe G. Lara
Chairperson



Ray Redmond
Vice Chairperson



Christine Dowhan-Bailey
Secretary/Treasurer



Dino Deponio
Director



Ed Derbin
Director



Jan Gillespie
Director



Rudolph R. Montano
Director

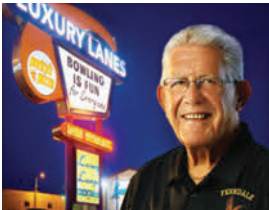


David C. Prybys
Director



Juanita M. Reid
Director

Director Emeritus



Paul W. Stuart
Director Emeritus

Associate Directors



John Beeskow



Alicia Bradley



Jainender Jain



Michael Timm

FINANCIAL STATEMENTS

Condensed Consolidated Statement of Financial Condition

ASSETS	2024		2023	
Cash and cash equivalents	\$	179,662,689	\$	143,241,734
Interest-bearing deposits	\$	4,000,000	\$	7,000,000
Investment securities: Available-for-sale	\$	213,712,026	\$	205,456,894
FHLB stock	\$	3,209,400	\$	3,209,400
Loans to members, net of allowance for loan losses	\$	1,191,944,357	\$	1,229,239,571
Accrued interest receivable	\$	5,832,609	\$	5,244,370
Property and equipment	\$	29,491,088	\$	29,836,057
NCUSIF deposit	\$	14,759,718	\$	14,757,696
Alloya perpetual contributed capital deposit	\$	1,089,800	\$	1,089,800
Investment in CUSO	\$	6,401,958	\$	4,591,409
Investments in life insurance contracts	\$	16,836,391	\$	20,526,033
Goodwill	\$	32,436,094	\$	32,436,094
Other assets	\$	17,900,350	\$	24,133,755
TOTAL ASSETS	\$	1,717,276,480	\$	1,720,762,813

LIABILITIES AND MEMBERS' EQUITY				
Members' shares and savings accounts	\$	1,544,002,980	\$	1,566,430,325
Accrued expenses and other liabilities	\$	11,523,551	\$	13,642,539
TOTAL LIABILITIES	\$	1,555,526,531	\$	1,580,072,864
Commitments and contingent liabilities	\$	-	\$	-
Members' equity – substantially restricted	\$	161,749,949	\$	140,689,949
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$	1,717,276,480	\$	1,720,762,813

The certified public accounting firm of Doeren Mayhew audited, in accordance with auditing standards generally accepted in the United States of America, the statements of financial condition of Credit Union ONE and subsidiaries as of December 31, 2024, and the related statements of earnings, members' equity, and cash flows for the years then ended (not presented herein). Complete audited financial statements and footnotes are available for review upon request at our corporate office.

Consolidated Statement of Earnings

INTEREST INCOME		2024	2023
Loans receivable	\$	71,092,002	\$ 60,965,978
Investment securities	\$	11,283,721	\$ 9,667,070
TOTAL INTEREST INCOME	\$	82,375,723	\$ 70,633,048
INTEREST EXPENSE			
Interest and dividends on members' shares and savings accounts	\$	14,618,437	\$ 9,425,650
Interest on borrowed funds	\$	108	\$ 306
TOTAL INTEREST EXPENSE	\$	14,618,545	\$ 9,425,956
Net interest income	\$	67,757,178	\$ 61,207,092
Provision for loan losses	\$	5,513,162	\$ 4,871,267
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$	62,244,016	\$ 56,335,825
NON-INTEREST INCOME			
Gain on sale of loans	\$	—	\$ —
Fees and charges	\$	7,787,078	\$ 7,998,080
Interchange income	\$	7,331,325	\$ 5,302,343
TOTAL NON-INTEREST INCOME	\$	15,118,403	\$ 13,300,423
NON-INTEREST EXPENSES			
Compensation and benefits	\$	33,344,640	\$ 28,411,225
Office operations	\$	16,626,747	\$ 15,824,902
Occupancy	\$	3,519,502	\$ 3,237,245
Operating expenses	\$	8,831,339	\$ 8,240,830
TOTAL NON-INTEREST EXPENSES	\$	62,322,228	\$ 55,714,202
Net Earnings	\$	15,040,191	\$ 13,922,046



Credit Union ONE

400 E. Nine Mile Road, Ferndale, MI 48220

800-451-4292 | cuone.org



Federally Insured by the NCUA. © 2025 Credit Union ONE. All Rights Reserved.