BOARD CHAIRPERSON STEVE'S REPORT
In 2024 and so far in 2025 we have again experienced success. MVFCU continues to grow and compares very favorably with other financials. Our staff is dedicated to providing members with the best products and service possible. Our deposit, loan, accounting, I/T and marketing departments all work together with member service first in mind. The Board and Supervisory Committee are knowledgeable and dedicated to providing a strong and technologically advanced credit union for today and tomorrow. "Tell us what you want. We listen. Then deliver." We all do our very best to say and do: "Yes You Can."

PRESIDENT / CEO NICK'S REPORT: Clearly, there are some global and national tensions of serious concern today both militarily, politically, and economically. Namely now, Israel & Hamas / Ukraine & Russia, Federal Government shutdown / Federal debt and budget deficits and tariffs and retaliations. Added together it creates significant uncertainty.

During the last three Federal Open Market Committee (FOMC) meetings of 2024 the Federal Funds target rate was lowered by 100bps and then again in September 2025 it was lowered another 25 bps to the range of 4.00% - 4.25%. They meet two more times in 2025. Prime rate is 7.25% and 1 year CMT (constant maturity Treasury) is at 3.56%. A 30 year fixed rate mortgage is at 6.125%. Nationally, inflation is up to 2.3%, unemployment increasing to 4.3%, supply chain progress remains uneven, manufacturing has improved, agriculture has improved in part due to economic assistance and government payments. And the DJIA and S&P 500 have never been higher.

Locally unemployment is lower at 3.7% in Blue Earth County, 3.3% in Nicollet County and 3.8% in the state of Minnesota.

Our FOM (field of membership) today are the six counties of Blue Earth (pop 67K), Nicollet (34K), Le Sueur (28K), Waseca (19K), Watonwan (pop 11K) and Brown (25K). In 2022 we welcomed Northern Energy and in 2012 Kato Engineering Credit Unions to our membership.

We were pleased and humbled when MVFCU was again voted Greater Mankato's #1 Best Bank or Credit Union and #1 for Best Place to Get a Mortgage. There are a lot of banks and CUs around.

In 2024 assets grew by $16M, investments grew by $4M , loans grew by $10M, deposits grew by $12M and member owned capital grew by $2.5M. Here through 9/30/25, assets grew by $12M, investments grew by $6M , loans grew by $7M, deposits grew by $9M and member owned capital grew by $2.1M. In 2024 we paid $4.6M in dividends to members and annualized in 2025 we'll be paying $4.9M. We had net income of $2.5M last year and this year annualized looks to be around $2.8M.

We will pay a $90K Coop patronage dividend to members again in 2024 and will in 2025. With that we'll have paid $940K since 2015. We paid a small bonus dividend in 2023, 2024 and 2025 and will again to all Northern Energy members in 2026. We'll also do something for Kato Engineering. To charity we donated $62K in 2020, 2021 $65K, 2022 $45K, 2023 $56K, 2024 $60K and for 2025 we plan $65K. We also donate time and energy to several causes.

Today we have 11.21% capital as a percent of assets which is the highest since at least 1990. So far in 2025 we've earned $2.1M with three months to go.

Last year 2024 $2.5M, 2023 $2.3M, 2022 $1.7M, 2021 $3.4M, 2020 $3.4M, 2019 $1.6M. The big two years were huge first mortgage refinance (we did about 700 first mortgages in 2020) lending with 30-year mortgage rates in 2020 averaging 3.10% and in 2021 2.96% compared to 2024 at 6.81%.

Our net operating expenses, as a percentage of average assets, continue to stay low, which is a measure of operational efficiency: just 2.49% at 6/30/25 versus Peer of 3.10% (Peer are USA credit unions $100M to $500M in assets of which there are just over 1,000). Our yield on average loans continues to be less than the national average (5.73%% vs. 6.07%, great for borrowers) and on the fee & other operating income side, we netted 0.72% of average assets vs. Peer of 1.13%, so we fee less (great for transaction-oriented members). Our cost of funds were 1.56% vs 1.30% of average assets so higher than peer (good for savers). Salary & Benefits per full time equivalent average $89K vs $88K for the Peer. Yet one employee at MVFCU serves 495 members vs 346 for Peer. Our net loan charge offs half way through the year were 0.10% vs Peer 0.47%. Loan delinquency was 0.53% vs 0.83%.

Over the past 12 years, member owned capital has grown an average each year of 12.09% vs Peer of 6.79% / deposits 10.55% vs Peer 5.59% / loans 8.90% vs Peer 6.97% / membership 4.22% vs Peer 1.54% / delinquency + charge offs 0.82% of loans vs Peer 1.20% / return on assets 1.10% vs Peer of 0.64% These are very solid, balanced, long-term results and demonstrate how wonderful our south-central Minnesota community really is. We continue to earn the high safety & soundness grades from NCUA, CPAs, CUNA, Bauer (5 of 5 Stars) and Weiss (B+ / top 30% of the USA). NCUA calculates that given our low-risk balance sheet we'd only need 6% capital and we have over 11%. We had net loan charge offs so far in 2025 of $85K / $184K in 2024 / "negative" $31K in 2023 / "negative" $33K in 2022 / $116K in 2021 / $150K in 2020 / $733K in 2019 / $92K in 2018 / $126K in 2017 / $115K in 2016.

Through 9/30/25 membership is growing by 1.97%%, our net long-term assets are only 22.08%, non-earning assets only 0.64%, net operating expenses only 2.40%, cost of funds up to 1.59%, loans are 58% of deposits (rest mainly investments), delinquent loans 0.57%, charge offs 0.07%, asset growth 5.52%, loan growth 7.68% and return on average assets 0.91%.

At 09/30/25, MVFCU had 18,407 members. So far this year we opened 894 new memberships (closed 626, for a net gain of 268 members). There were 11,257 checking accounts, 15,186 MasterCard debit cards, 2,358 MasterCard credit cards, 10,568 active online banking users, and 8,443 active mobile banking users. Members used their debit cards 1.8 million times in 2024 and project 1.9 million times in 2025. At MVFCU, members held 39,451 savings and 7,798 active loan accounts. We also service 1,129 first mortgage loans totaling $169M sold to the FHLB. Today we have 33 F/T and 6 P/T employees (4 employees working remotely).

Please let us know anytime how we might serve you better. Thanks!

BOARD TREASURER SANDY'S REPORT: I am the Board Treasurer. My narrative report and our financials are in the Annual Report. Highlights are members totaling over 18,000, assets of $290 million, deposits of $258 million, outstanding loans about $151 million, in-vestments about $137 million and member owned capital, retained earnings, over $32 million. Capital to assets is over 11%, the highest since at least before 1990. We have about $50 million in investments maturing over the next 12 months so liquidity is very strong. Your credit union is in very solid condition.

MINNESOTA VALLEY
FEDERAL CREDIT UNION
Since 1934

Serving Blue Earth, Nicollet, Le Sueur, Waseca, Brown & Watonwan Counties

Greater Mankato's Community Credit Union Since 1934

90th ANNUAL MEETING October 28, 2025

Low Loan Rates
High Savings Rates
Low or No Fees
High Quality Service

MVFCU VISION STATEMENT

Earning Member Loyalty and
Community Appreciation

MVFCU MISSION STATEMENT

To exceed the expectations of our member -- owners and employees and become their most valued and trusted financial institution and employer, always in keeping with the cooperative principles.

MVFCU OPERATING STATEMENT

TELL US WHAT YOU WANT.
WE LISTEN. THEN DELIVER.

BUSINESS MEETING AGENDA

6:30 PM Call To Order……….. Chairman Steve Erdman
Additions/Changes To Agenda……........Carol Whitney
Proof Of Notice Of Meeting……………Melissa Bublitz
Declaration Of A Quorum………………Melissa Bublitz
2024 Minutes……………………………Tom Bicek
Closing of Elections. . . . . .Brian Boettcher
Report Of Nominating Committee. . . . . . .Mike Blaine
Report Of Treasurer. . . . . Sandy Bartlett
Report Of Supervisory Committee……. . Timothy Madsen
Guest Speaker……… Mankato City Mayor Najwa Massad

Open Discussion Time

Member attendees are sincerely encouraged to share comments, concerns, and ideas.

Tell us what's on your mind. It's your credit union.

New Business

Introduction Of 2025 Directors………..Nick Meyer

THANK YOU FOR ANOTHER GREAT YEAR!! WE LOOK FORWARD TO MANY MORE!

It pays to bank where you're part owner !

SUPERVISORY COMMITTEE TIMOTHY'S REPORT

The Supervisory Committee (SC) volunteers evaluate management decisions, finances, internal controls, and operations in cooperation with the federal agency National Credit Union Administration (NCUA), CPA's Clifton, Larson, Allen, other external reviews, and our monthly Internal Auditors' reports. In 2024, the SC reviewed 358 loan files and, thus far in 2025, 296 loan files have been reviewed. Additionally, we review all new and closed accounts. Our confidential Mankato Post Office Box is 4126. Please feel free to contact us with any questions or concerns.

STATEMENT OF FINANCIAL CONDITION (also $169M sold mortgage loan servicing portfolio at 9/30/25)

Income Statements

	12/31/2024	9/30/2025
Interest on Loans	8,370,897	6,907,593
Income from Investments	3,505,010	3,230,075
Other Operating Income	2,300,488	1,691,881
TOTAL GROSS INCOME	**14,176,396**	**11,829,549**
Employee Compensation & Benefits	2,964,085	2,462,965
Travel & Conference Expense	46,094	37,355
Association Dues	54,140	47,427
Office Occupancy Expense	163,607	134,445
Office Operations Expense	2,293,457	1,954,309
Education & Promotion Expense	362,424	288,070
Loan Servicing Expense	506,457	462,622
Professional & Outside Services	321,778	278,200
Provision for Loan Losses	343,725	100,244
Member Insurance	0	0
NCUA Operating Fees	51,756	40,821
Interest on Borrowed Money	736	944
Membership Meeting Expense	18,829	3,300
Miscellaneous Operating Expense	(601)	129,983
TOTAL OPERATING EXPENSES	**7,126,487**	**5,940,687**
Dividends Paid to Members	(4,594,322)	(3,645,133)
Other Non-Operating Income*	30,527	165,513
Pre Net Income	2,486,114	2,078,217
NCUA Recapitalization Expense	0	0
Post **Net Income**	**2,486,114**	**2,078,217**

Balance Sheets

Assets	12/31/2024	9/30/2025
Loans	152,564,913	161,352,740
Allowance for Loan Loss	(986,108)	(1,002,008)
Short-Term Liquidity	1,430,047	(535,190)
Discount on Loans	(13,829)	(5,532)
Corporate CU Investments	21,033,800	13,050,807
Other Investments (Mainly CD's)	115,481,276	129,696,113
Building and Land	1,083,218	1,057,985
Fixed Assets	558,722	942,411
Other Assets	6,062,493	5,016,650
NCUSIF Deposit	2,491,944	2,452,994
TOTAL ASSETS	**299,728,064**	**312,134,821**
Liabilities & Capital		
Member Savings & Certificates	265,573,726	275,870,402
Accounts Payable	572,131	615,299
Dividends Payable	680,342	669,037
Member Capital	32,901,866	34,980,083
TOTAL LIAB. & CAPITAL	**299,728,064**	**312,134,821**

Statements of Equity/Loans/Shares

	12/31/2024	9/30/2025
Beginning Capital	29,201,070	31,687,184
Regular Reserve	1,214,683	1,214,683
Net Income	2,486,114	2,078,217
TOTAL CAPITAL	**32,901,866**	**34,980,083**
Vehicle Loans	52,177,861	57,898,512
Consumer Loans	10,194,638	9,821,320
Real Estate Loans	87,084,219	90,687,978
Unsecured Loans	2,750,215	2,701,573
TOTAL LOANS	**152,564,913**	**161,352,740**
Primary Share	65,445,133	64,911,412
Money Market	83,307,756	88,764,186
Share Certificates	58,761,145	63,547,513
Checking	49,601,302	49,967,743
IRAs	8,458,390	8,679,548
TOTAL SHARES	**265,573,726**	**275,870,402**
NET LOAN CHARGE-OFFS	**183,878**	84,344
NUMBER OF MEMBERS	**18,139**	**18,407**
NET CAPITAL/ASSETS	10.98%	**11.21%**
RETURN ON AVG CAPITAL	7.85%	8.08%

Board Members

Steve Erdman, Chair
Brian Boettcher , Vice Chair
Melissa Bublitz, Secretary
Harold "Sandy" Bartlett, Treasurer
Tom Bicek, Director
Michael Blaine, Membership Chair
Carol Whitney, Director

Management

Nick Meyer, President / CEO
Trent Talle, Executive VP
Trinette Risting, VP of Operations
Ben Suker, VP of Development
Sarah Adams- MSA Manager
Joann Erickson- Supervisor

Supervisory Committee

Timothy Madsen, Chair
Daryl Arzdorf
Beth Kramer
Warren Michels
Ron Evan

NCUA: Federal Examiners
CPA: Clifton Larson Allen

Internal Auditors

Joann Ericksen, Spvr
Jennifer Bloomquist
Ben Suker
Sarah Adams
Angela Kilmer
Avery Johnson