

Statements of Income

Period ending December 31, 2025, and 2024

	2025	2024
INTEREST INCOME		
Loans receivable	\$9,427,585	\$10,321,690
Investment securities	497,402	255,571
Cash and interest bearing deposits	2,464,711	2,112,914
Total interest income	12,389,698	12,690,175
INTEREST EXPENSE		
Dividends on share and savings accounts	3,545,473	3,406,090
Interest on borrowed funds	-	492,178
Total interest expense	3,545,473	3,898,268
NET INTEREST INCOME	8,844,225	8,791,907
PROVISION FOR CREDIT LOSSES	1,321,053	1,714,429
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	7,523,172	7,077,478
NON-INTEREST INCOME		
Fees and charges	1,273,845	1,237,881
ERC funds	960,038	-
Interchange income	825,969	894,457
Other non-interest income	391,468	477,711
Total non-interest income	3,451,320	2,610,049
NON-INTEREST EXPENSE		
Compensation and employee benefits	5,145,208	5,108,306
Legal and professional expense	2,645,719	2,213,108
Operations expense	1,149,768	1,315,536
Loan servicing expense	1,125,042	1,100,538
Occupancy	433,391	431,288
Advertising and promotion expense	203,284	197,760
Total non-interest expenses	10,702,412	10,366,536
NET INCOME	\$272,080	\$(679,009)



Annual Report 2025

Delivering Financial Stability, Security & Service

An Independent Auditing Firm has audited the accompanying statements of financial condition of the U. S. Postal Service Federal Credit Union as of December 31, 2025, and 2024, and the related statements of income, members' equity and cash flows (not presented herein) for the years then ended; in their report dated August 21, 2025, they expressed an unmodified opinion on those financial statements. These financial statements are the responsibility of the Credit Union's management. The Independent Auditing Firm's responsibility is to express an opinion on these financial statements based on their audits. The condensed financial statements do not constitute a complete set. The complete set, including the statements of changes in members' equity, cash flows and notes to the financial statements, is available in the Credit Union office. We do business in accordance with the Federal Fair Housing Law and the Equal Opportunity Act. It is illegal to discriminate against any person because of race, color, religion, sex or national origin.

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CHAIRMAN'S REPORT

Dear Members,

As a member-owned financial cooperative, every decision we make is guided by our commitment to supporting your financial well-being and strengthening the long-term future of our Credit Union.

Throughout 2025, the financial services industry continued to evolve rapidly. In response, U.S. Postal Service Federal Credit Union remained focused on operational resilience, strategic growth, and financial strength. Over the past year, we continued building a strong foundation for long-term sustainability by enhancing technology and digital capabilities and improving operational efficiency.

USPS FCU ended the year with liquidity levels well above policy requirements, providing the Credit Union with strong financial flexibility moving forward. We also made meaningful progress in improving asset quality through proactive delinquency management and disciplined balance sheet oversight.

The Credit Union further expanded its participation lending efforts during the year to diversify the balance sheet and support future earnings opportunities. While loan growth in several lending categories remained challenging due to market conditions and consumer demand trends, we remained committed to maintaining prudent underwriting standards while protecting long-term asset quality.

Several major technology initiatives were completed throughout the year, including enhancements to fraud prevention and compliance monitoring systems, improvements to electronic document automation, and expansion of secure digital document delivery services. As fraud threats continue to evolve, the Board and management team remain focused on protecting our members.

Member service and satisfaction continued to remain central to our mission. During 2025, the Credit Union maintained an exceptional member satisfaction score of 4.7 out of 5.0. This achievement reflects the dedication of our employees and their unwavering commitment to providing outstanding service during every member interaction.

Additional accomplishments during the year included the completion of our Pennsylvania indirect lending expansion, ongoing investment in employee development and training, and continued efforts to strengthen volunteer recruitment and member engagement opportunities.

As a member-owned cooperative, one of our greatest strengths is the active involvement and engagement of our members. We encourage members who are interested in becoming more involved with the Credit Union to explore opportunities through the Board of Directors, Supervisory Committee, and Community Outreach Focus Groups.

The Credit Union remains well-positioned to meet the changing needs of our members for years to come. Most importantly, we remain guided by the core values that have defined this Credit Union since its founding: service, trust, financial stewardship, and "people helping people."

On behalf of the Board of Directors, thank you for your membership, loyalty, and continued confidence in our Credit Union.

Yours in service,
Michael E. McCartney, Chairman

Supervisory Committee

MEAGHAN STONER *Chairman*

LEONARDO GREEN *Member*

ROCHELLE MCCALLASTER *Member*

RICHARD STRASSER, JR. *Member*

Statements of Financial Condition

Period ending
December 31, 2025,
and 2024

ASSETS	2025	2024
Cash and cash equivalents	\$47,826,762	\$49,194,921
Investments:		
Available-for-sale debt securities	21,486,178	9,114,571
Loans receivable, net of allowance for credit losses	192,591,944	198,671,888
Accrued interest receivable	715,753	653,954
Premises and equipment, net	157,242	236,787
National Credit Union Share Insurance Fund deposit	2,276,807	2,140,412
Loans to other Credit Unions	4,000,000	5,000,000
Prepaid and other assets	14,460,470	4,212,730
Total Assets	\$283,515,156	\$269,225,263
LIABILITIES		
Members' share and savings accounts	\$252,506,005	\$238,549,208
Accrued expenses and other liabilities	1,757,187	2,170,283
Total Liabilities	254,263,192	240,719,491
MEMBERS' EQUITY		
Appropriated undivided earnings	28,961,721	28,689,641
Accumulated other comprehensive loss	(688,689)	(1,162,801)
Equity acquired in merger	978,932	978,932
Total Members' Equity	29,251,964	28,505,772
Total Liabilities and Members' Equity	\$283,515,156	\$269,225,263

BOARD OF DIRECTORS

MICHAEL E. MCCARTNEY

Chairman

GILBERT A. FORD, JR.

Vice Chairman

THOMAS DALE, JR.

Secretary/Treasurer/Director of Finance

RICHARD E. GATEWOOD

Director of Technology/Operations

CHRISTINA LEWIS

Director

BRADY HAYDEN

Director of Strategic Planning

JOHN F. ROSATO

Director of Marketing

CHARLES A. MCCULLOUGH, II, ESQ.

Director

LEONARDO GREEN

Director of Human Resources

RICHARD YESSIAN

Director Emeritus

