

2025

ANNUAL REPORT



**DIRECT
FEDERAL**
BANKING AT THE RATE OF LIFE.

Dear Member,

2025 proved challenging for many of our members and community partners. The economy continued to struggle in establishing the right balance between lowering inflation and full employment. Many of our members were affected by the extended government shutdown late in the year. Our community partners operated with the uncertainty of continued federal funding. At Direct Federal, our focus was to stay true to our commitment to serve you, our communities, our employees, and to maintain a strong credit union.





For our members, we continued our mission of providing you great rates to save you money, easy access to save you time, and remarkable service to preserve your peace of mind.

For our community, we expanded our financial literacy programs, volunteered hundreds of hours, and provided financial support to local organizations.

For our employees, we continued to deliver on our cultural commitments of purposeful work, professional achievement, and personal growth.



Our members:

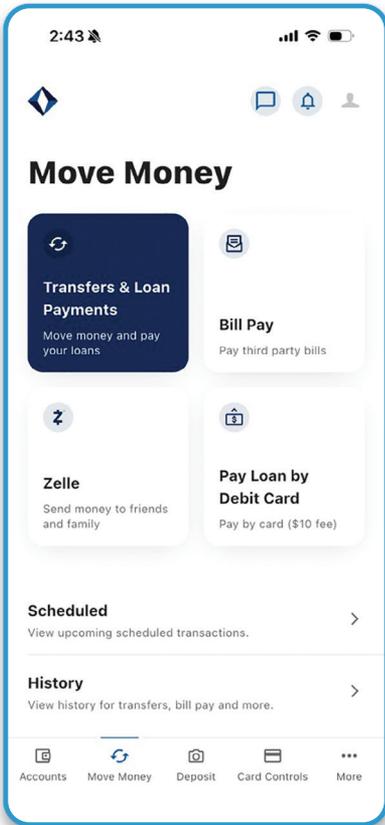
Prioritizing Your Financial Wellness

In 2025, we advanced four major areas of member support: our best-in-class online banking for financial management on-the-go, our local contact center's human touch, financial wellness to empower our members, and aid in times of need.

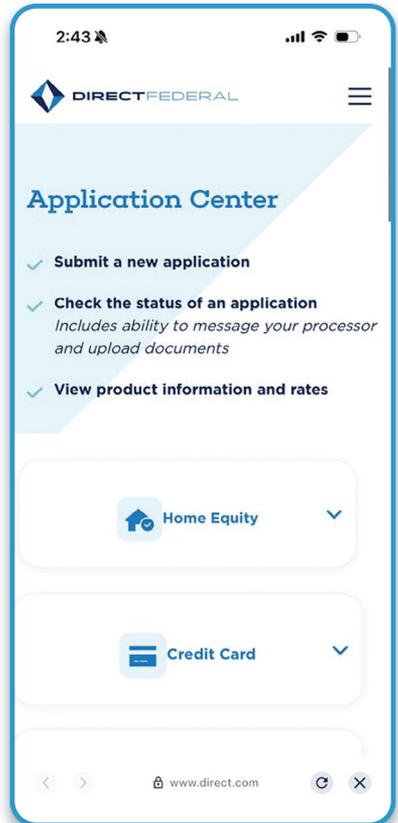
We put a great deal of effort into our online services because they allow more members to access our competitive products and top-notch service. Based on your feedback, we made several updates to online and mobile banking. Check deposits were upgraded to show the release date of any holds that may apply, providing

even more information about the status of your funds. Adding your Direct Federal credit or debit card to your digital wallet got easier this year as we removed unnecessary steps while maintaining the same level of security you know and trust.





In Direct's mobile app, we added the features you use most to the shortcut bar on the main screen—including “Move Money” and “Card Controls.”



We also redesigned our online deposit & loan application system so you can spend less time applying for new services and more time using them.

Our contact center underwent two major improvements in 2025 to better serve you.

First,

we overhauled our phone technology to streamline the operation of phone calls and online chats into a single system, making it easier for you to get in touch with us.

Second,

we implemented an enhanced training program to strengthen the support you receive in online chats. These efforts resulted in the successful completion of **over 46,000 phone calls** and **over 5,000 online chats**.



David Liberge
Director, Member Services



Frances Vertuli
Collections Associate III



Paige O'Leary
*Marketing Communications
Manager*



Alex Bonilla
*Relationship Banking
Manager*

Two years ago, we launched our financial counseling program. In 2025, we nearly doubled the program with four more team members earning their Certified Credit Union Financial Counselor™ (CCUFC) certificate through America's Credit Unions' Financial Counseling Certification Program (FiCEP). Our certified team members have the formal skills and knowledge required to guide you to sound financial decisions. Please reach out to our Member Services Team if you would like to discuss your financial situation with a Certified Financial Counselor—they are here to help!

In October of 2025, members of Direct Federal and communities we serve were impacted by the federal government shut down. Our board of directors and senior leadership team sprang into action—as we often do in times of need—to relieve financial pressure. To members in need, we offered immediate credit card limit increases, interest-free loans, skip-a-pay loan payment deferrals, and free financial counseling sessions with our CCUFCs. In November, we distributed Thanksgiving dinner gift cards to our members and surrounding communities. We are honored to serve our members and community as we live by the Credit Union industry motto of “People Helping People.”





Our community:

Strengthening Local Connections

We're not just here for our members—
we're also committed to supporting the
communities in which you live and work.
These are the same communities in which
we live and work.



Two years ago, we launched a new financial literacy program in five local schools: Dedham High School, Milton High School, Needham High School, Randolph High School, and Westwood High School. Our program equipped nearly 500 students with essential money-management skills. In 2025, we expanded the impact by adding several new teachers to the program. Our financial wellness platform served over 2,200 community members who completed over 90 coaching sessions and used our financial calculators over 200 times.

Based on the success of our financial literacy program, we expanded its reach to include our Direct At Work partner organizations, including SAFE Coalition in Franklin, Ellie Fund in Needham, and Raising a Reader in Boston. We hosted train-the-trainer events to equip their staff with the financial tools they need to amplify the positive impact they have on their communities.



In June, we were proud to partner with the Ellie Fund's fourth annual Equity in Breast Care Symposium. Through our support, the event remained free to the public, where Dr. Bisola Ojikutu, the City of Boston's Commissioner of Public Health and Executive Director of the Boston Public Health Commission, gave a special welcome and addressed the group, stressing the importance of health equity and self-advocacy. The event brought together patients, doctors, clinicians, and service providers to share experiences and learn about new opportunities and emerging medicines.



In 2025, our employees volunteered nearly 700 hours in the community.



Through our philanthropic initiatives, we contributed over \$235,000 to local organizations.

We proudly supported groups like Raising a Reader, SAFE Coalition, Three Squares New England, Greater Boston PFLAG, the Ellie Fund, and League School, among others.

2025 DirectGiving Partners

Builders Coalition
Burbank YMCA
Charles River Center
Cradles to Crayons
Ellie Fund
League School of Greater Boston

Needham Community Council
Needham Educational Fund
Needham Fire
Newton Boys & Girls Club
New England Center & Home for Veterans

PFLAG
Raising a Reader
SAFE Coalition
Three Squares Ride for Food
Waltham Boys & Girls Club



Our employees:

Living Our Values, Serving Our Members

Behind every member experience and community event is a dedicated team of employees.

In 2025, 100% of our employees Strongly Agreed or Agreed they are part of something meaningful at Direct Federal and are proud of the work they do every single day.

To further support our employees, we created a leadership development program to equip them with the tools and resources needed to accelerate their growth into future leaders within the credit union. This new program earned a Brandon Hall Group Silver Award for Excellence in the category of Best Leadership Development Program. The program works in tandem with our existing mentor program, career development program, and award-winning leadership training series to create a strong foundation for professional growth. In its inaugural year, the program drove increased participation in our mentor and career development programs. Over the long term, we anticipate a stronger pipeline of employees prepared to step into future leadership roles. By investing in our people, we are building a knowledgeable and capable workforce that will continue delivering remarkable service to our members for years to come.



We renewed our lease at 50 Cabot Street in Needham, maintaining a local presence centrally located within our field of membership. We also redesigned our office space to reflect how we work, featuring a mix of private spaces for focused work and collaborative spaces to encourage teamwork. The reimagined space supports productivity, fosters collaboration, and creates a comfortable environment where employees can work, connect, and thrive.



Our financial strength:

Navigating with Stability and Confidence

As the financial services industry begins to emerge from a time of uncertainty, we maintained strong capital, ensuring a solid foundation for future growth. With a capital ratio of over 11%, well above regulatory requirements, your credit union remains financially strong and well-positioned to serve you now and in the future.

In 2025, we remained committed to what matters most—delivering value, seamless access to your accounts, and exceptional service. We are proud to say that commitment was recognized by you:

94%

OF MEMBERS

Strongly Agreed or Agreed
they received a great rate

91%

OF MEMBERS

Strongly Agreed or Agreed
our systems are easy to use

92%

OF MEMBERS

Strongly Agreed or Agreed
our employees provide
remarkable service

89%

OF MEMBERS

Strongly Agreed or Agreed
they will return to Direct
Federal for future needs

No matter the
challenges in the industry,
our commitment to you
remains unwavering.



Looking Ahead: Committed to Your Financial Goals

As we begin 2026, and look ahead, we will remain committed to you, our community, and our employees. Our vision is to be your trusted financial partner as you live your life and pursue your dreams. We will continue to be a partner who prioritizes your financial wellness and peace of mind.



We will remain a valued resource for charitable organizations in our community. We will continue to be an employer who genuinely cares about our team and takes very seriously our responsibility to them.

Thank you for your trust and support. We look forward to many years of partnership and shared success.

Meredith Hoban Dunn
Chair

Joseph Walsh
President & CEO

Balance Sheet

As of December 31, 2025 and 2024

Assets	2025	2024
Cash And Due From Banks	\$39,644,691	\$54,756,912
Loans, Net Of Allowance For Credit Losses	700,902,260	697,802,049
Investments Available For Sale	20,866,142	30,731,848
Investment In Federal Home Loan Bank	3,482,700	4,921,400
Accrued Interest Receivable On Loans And Investments	3,434,281	3,534,344
National Credit Union Share Insurance Fund Deposit	5,577,191	5,587,559
National Credit Union Central Liquidity Fund	1,761,102	1,811,244
Premises And Equipment	1,284,226	1,078,825
Other Assets	8,926,436	5,140,061
Total Assets	\$785,879,029	\$805,364,242

Liabilities And Members' Equity		
Member Deposits	\$618,817,305	\$606,027,865
Borrowings	77,000,000	107,000,000
Accrued Expenses And Other Liabilities	2,399,627	4,081,087
Total Liabilities	698,216,932	717,108,952
Members' Equity	89,582,670	91,570,629
Unrealized Gain On Investments Available For Sale	(1,920,573)	(3,315,339)
Total Members' Equity	87,662,097	88,255,290
Total Liabilities And Members' Equity	\$785,879,029	\$805,364,242

Statement of Operations

For the years ended December 31, 2025 and 2024

Interest Income	2025	2024
Interest Earned On Loans To Members	\$33,285,016	\$34,062,415
Interest Earned On Investments	2,798,901	3,280,548
Total Interest Income	36,083,917	37,342,963
Interest Expense		
Interest Paid On Member Deposits	16,741,460	16,904,902
Interest Paid On Borrowings	3,685,274	5,792,225
Total Interest Expense	20,426,734	22,697,127
Net Interest Income	\$15,657,183	\$14,645,836

Other Income		
ATM, Debit And Credit Card Processing Fees	\$979,663	\$1,007,867
Gain On Sale Of First Mortgage Loans	100,166	83,125
Share Account Fees	300,984	302,038
Loan Servicing Income	470,716	525,875
Miscellaneous Income	239,361	142,305
Total Other Income	\$2,090,890	\$2,061,210

Operating Expenses		
Salaries And Employee Benefits	\$11,601,844	\$11,062,530
Professional And Administrative	1,235,767	1,067,877
Marketing And Promotion	750,000	750,000
ATM, Debit And Credit Card Processing	1,435,164	1,288,477
Data Processing	2,152,319	2,010,768
Office Occupancy And Maintenance	1,388,688	1,307,487
Depreciation	545,912	599,092
Statement Processing And Delivery	215,435	226,987
Total Operating Expenses	19,325,129	18,313,218
Net Income Before Provision For Credit Losses	(1,577,056)	(1,606,172)
Provision for Credit Losses	410,903	1,795,316
Net Income After Provision For Credit Losses	(\$1,987,959)	(\$3,401,488)

Board of Directors

Meredith H. Dunn
Chair

Frank Crocetti
Vice Chair

Mary Ann Boari
Secretary

John Charters
Treasurer

Estelle Burton

Kendin Carr

Robert Gill

Lauren Intinarelli

Diana Linn

David H. Johnson
Chairman Emeritus

Donald J. Kelliher
Chairman Emeritus

Stephen L. Berry
Director Emeritus

Joseph R. Capalbo, Jr.
Director Emeritus

Nicholas S. DiMasi
Director Emeritus

Howard Margulies
Director Emeritus

Jennifer Klempa
Associate Director

Supervisory Committee

Raymond M. Ricci
Chair

Wendy Aimola

Christopher Dooley

Joseph Fannon

Diana Linn

Nominating Committee

Robert Gill
Chair

Kendin Carr

Frank Crocetti

Stephen Berry
Emeritus Member

Nicholas S. DiMasi
Emeritus Member

Management

Joseph Walsh

President & CEO

Andrew Gabriel

Senior Vice President, Chief Operating Officer

Amy Irene Horan

Senior Vice President, Chief Lending Officer

Kristen Johnson

Senior Vice President, Chief Experience Officer

Jeffrey C. Rocha

Senior Vice President, Chief Financial Officer

Greg Ryan

Senior Vice President, Commercial Lending

Sean Ball

Vice President, Information Technology

Kassandra Martin

Vice President, Member Experience

Danya Raphael

Vice President Brand Experience

Whitney Van Sciver

Vice President, Employee Experience

Jim Webber

*Vice President, Enterprise Security
& Fraud Management*

Jacqueline Bobola

Assistant Vice President, Compliance Officer

Erin Proulx

Assistant Vice President, Training & Development

Brett Terry

Assistant Vice President, Loan Operations

Steven Dupuis

Director, Finance & Accounting

David Liberge

Director of Member Services

Bonnie McComiskey

Director of Quality Control

Bill Rebello

Director of Underwriting

Loren Shapiro

Director of Mortgage Originations

Amanda Wheeler

*Director of Loan Servicing & Commercial
Administration*



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This credit union is federally insured by
the National Credit Union Administration.