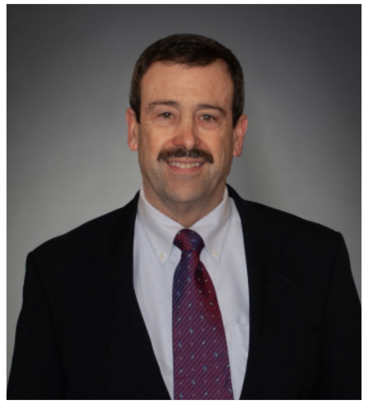
CENTRAL ONE
FEDERAL CREDIT UNION

2025

Annual Report

From the Chairman



Central One remains steadfast in its commitment to delivering exceptional service and value to our members. In 2025, the Credit Union celebrated another successful year, marked by continued growth, financial strength, and meaningful community impact. Our commitment to supporting the communities we serve is at the heart of everything we do. This dedication is reflected in our employees, who generously volunteer their time, talents, and expertise to local organizations and charitable causes, helping strengthen the communities we call home.

This past year, we were honored to receive recognition for our service and leadership. Oak Tree Insurance Agency was named Best of Worcester County for the fourth consecutive year, and our CEO, Devon Lyon, was recognized as CEO of the Year by the Cooperative Credit Union Association. These achievements reflect the hard work, dedication, and member-first philosophy that drive our organization every day.

I would like to extend my sincere gratitude to our Board of Directors and Committee members for their steadfast leadership and guidance. I am equally thankful to our management team and employees, whose passion, professionalism, and commitment to excellence continue to enhance the experience we provide to our members.

As we look to the future, we are excited to begin preparations for a significant milestone, Central One's 75th anniversary in 2027. Throughout the year, we will celebrate this achievement with special events and opportunities to honor our history, recognize those who have contributed to our success, and embrace the opportunities that lie ahead.

On behalf of everyone at Central One, thank you for your continued trust, loyalty, and support. We are honored to serve as your financial partner and look forward to building an even brighter future together.

Jeffrey M. Pond
Chairman of the Board

From the President/CEO

Wicked Local Banking® isn't just a tagline, it's a declaration of who we are.

In 2025, Central One Federal Credit Union made it official with our rebrand, and in doing so, we put a name to something our members and team have always known: we are deeply, proudly rooted in Central Massachusetts. Every loan decision is made here. Every dollar is reinvested here. Every relationship is built here. That's what Wicked Local means, and it's what sets us apart from every bank and financial institution competing for your attention.
The numbers reflect it. We saw a remarkable **$42.5 million increase in loans**, **$39.7 million growth in assets**, and **$16.3 million expansion in shares.** But the figure I'm most proud of is the 2,289 new members who chose Central One as their financial home this year. Each one of them could have gone somewhere else, and they chose local. That means everything.

Our commitment to supporting local businesses and families showed up everywhere in 2025. We became a designated Mass Save® lender, helping 82 members access affordable financing for home energy improvements, putting more than $1.5 million dollars to work in homes right here in Central Massachusetts. We worked with 143 unique organizations across our region through **$247,000** in combined financial support and volunteerism, because the phrase "wicked local" means showing up, not just showing interest.

Our Credit Union Service Organizations (CUSOs) continued to demonstrate what for-impact organizations look like in action. Oak Tree Insurance Agency grew 13.1% while maintaining an outstanding 91.1% policy retention rate, a figure that is well above the industry average.

Oak Tree was also named the "Best Insurance Agency in Central MA" by the Worcester Telegram & Gazette for the fourth consecutive year. The Central One Retirement & Investment Center assisted 11.6% more members in 2025, bringing assets under management to $273.8 million. Both affiliates were recognized among the best in their categories for the "Best of Central Mass" because local expertise, delivered with care, produces real connections and results.

At Central One, we measure success by the difference we make in your financial lives and in the communities we share. That is what Wicked Local Banking® means at its core; we are not simply a credit union that happens to be based in Central Mass, but one that exists ***for*** Central Mass, and for you.

Thank you for being a Central One member. Thank you for banking local, for trusting local, and for being part of what makes this community thrive.

As we look ahead, we continue to invest in technology, tools, and capabilities that will make every interaction with Central One faster, smarter, and more personal. And we do so with one eye on the horizon as in 2027, our hometown marks its 300th anniversary, and Central One celebrates its 75th. Two milestones, one community. Both of which are remarkable achievements. While we won't spoil all the upcoming surprises, all we can say is we look forward to celebrating both with you.

Devon Lyon
President/CEO

Snapshots of our impact

At Central One, giving back to the people, businesses, and communities we serve is at the heart of who we are.

We believe in making a positive difference in the lives of our members and helping our communities thrive. That's why we spend time volunteering, donating to local charities, providing essential financial education, and partnering with local organizations.

As a wicked local credit union, our commitment remains to creating opportunities, supporting our neighbors, and making a lasting impact where it matters most, right here at home.


Random Acts of Kindness

A Bed for Every Child

Financial Education

Helping our members, partners, and communities build confidence with their finances is a key part of how we give back. Here's a look at how we focused on making financial education practical, accessible, and relevant in 2025:

- Delivered financial education directly to the community through on-site workshops, free webinars, and educational seminars.
- Continued our **"Road to Financial Independence"** program in local schools, helping students build essential financial knowledge for the future.
- Launched **Workplace Advantage,** our financial wellness-at-work program that helps local businesses and employees strengthen financial understanding and make informed financial decisions.
- Introduced **EmpowerHER,** a financial education panel that provides women with a supportive environment to discuss life-stage-specific financial topics and challenges with our team of experts.


Financial Workshops


EmpowerHER: Financial Empowerment Panel for Women

Philanthropic Highlights


Worcester Railers

Central One x Worcester Railers x Worcester County Food Bank

For each home goal the Worcester Railers scored during the 2025 season, Central One donated $100 to the Worcester County Food Bank. Through this partnership, we donated **$6,200** (the equivalent of **15,500 meals**) to help fight food insecurity in Worcester County.


African Community Education

African Community Education

With the growth of families and increasing needs, ACE launched the "Living Together" Campaign, focused on renovating its facility and expanding programming. As a strong advocate for immigrant and refugee support, Central One committed **$50,000** to bring ACE's vision to life, with **$10,000** distributed each year. This investment helps fund critical renovations, creating welcoming spaces that encourage learning and connection.


Operation Playhouse

Operation Playhouse

In partnership with Operation Playhouse, our employees came together to build playhouses for children of veteran families. Our volunteers helped create spaces filled with imagination, laughter, and childhood memories. This rewarding experience allowed us to show our appreciation for the sacrifices made by veteran families while making a meaningful difference in the lives of their children.

Awards & Recognition

2025 marked another award-winning year for Central One! We are deeply honored and humbled to receive recognition across multiple areas of our organization, including community impact, service excellence, workplace culture, marketing innovation, and leadership.

Community Recognition Awards

Worcester Telegram's "Best of Central Mass" Community Choice Awards

- Top 3 Credit Union
- #1 Locally-Owned Business
- #1 Place to Work

Milford Youth Center

Community Appreciation Award

Business Performance & Service Excellence Awards

Banker & Tradesman
Top Lender

America Saves Week & Veterans Saves Week
Designation of Savings Excellence

Feefo
Platinum Trusted Service Award

Workplace & Employer Recognition Awards

American Banker
Top 10 credit unions to work for in the U.S.

The Boston Globe
Top Places to Work

Leadership Recognition Awards

Cooperative Credit Union Association Award of Excellence
Devon Lyon awarded CEO of the Year

Marketing & Brand Excellence Awards

America's Credit Unions Diamond Awards

- Publications & Content: New Website
- Design & Identity: Rebrand

Credit Union Service Organizations

Oak Tree Insurance Agency and **Central One Retirement & Investment Center** continued to build on their success in 2025, achieving meaningful growth while providing trusted expertise and personalized support to those they serve.

From industry awards and professional recognition to strong business performance and client growth, both organizations demonstrated their ongoing commitment to helping members protect, preserve, and strengthen their financial futures. The following highlights showcase some of their key accomplishments throughout the year.

Oak Tree Insurance Agency

- Voted #1 Insurance Agency in Worcester Telegram's "Best of Central Mass" Community Choice Awards for the fourth consecutive year
- 91.1% policy retention rate
- Book of Business growth of 13.01%

CENTRAL ONE Retirement & Investment Center

- Named among the top Financial Planning firms in Worcester Telegram's "Best of Central Mass" Community Choice Awards
- Assets Under Management: $273.8 Million
- Assisted 10.7% additional Central One members
- New deposits invested on behalf of members: $23.3 Million
- Ranked #50 nationally among 285 credit union Investment & Financial planning programs

CONSOLIDATED BALANCE SHEETS

Years ended December 31, 2024 and 2025 (In Thousands)

	2025	2024
Assets		
Cash and cash equivalents	$ 41,711	$ 48,173
Investment securities, held to maturity, at cost	58,176	57,698
Investment securities, available for sale	3,336	4,375
Other investments, at cost	16,818	17,318
Subordinated debt investment	500	-
Deferred compensation plan assets	6,520	5,763
Loans to members, net of allowance of $2,685 and $3,064 in 2025 and 2024, respectively	679,097	636,577
Premises and equipment, net	22,165	23,097
Accrued interest receivable	3,185	3,065
Prepaid expenses and other assets	19,407	15,401
Stock of the Central Liquidity Facility	2,030	1,958
National Credit Union Share Insurance Fund deposit	6,496	6,304
	$ 859,441	$ 819,729
Liabilities and Members' Equity		
Members' share accounts	$ 693,891	$ 677,591
Non-member deposits	18,444	4,216
Short-term borrowings	15,791	22,211
Accrued and other liabilities	3,692	2,796
Long-term borrowings	42,521	36,791
Total liabilities	774,339	743,605
Members' equity		
Undivided earnings	82,221	76,953
Accumulated other comprehensive gain (loss)	2,881	(829)
Total members' equity	85,102	76,124
	$ 859.441	$ 819.729

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Years ended December 31, 2024 and 2025 (In Thousands)

	Other Reserves	Undivided Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2023	$ -	$ 72,011	$ (3,235)	$ 68,776
Comprehensive income	-	4,942	2,406	7,348
Balance, December 31, 2024	-	76,953	(829)	76,124
Comprehensive income	-	5,268	3,710	8,978
Balance, December 31, 2025	$ -	$ 82,221	$ 2,881	$ 85,102

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Years ended December 31, 2024 and 2025 (In Thousands)

	2025	2024
Interest income		
Loans	$ 36,545	$ 34,194
Investment securities	2,082	2,073
Interest-bearing deposits	2,076	1,537
Total interest income	40,703	37,804
Dividend and interest expense		
Members' share accounts	13,604	12,605
Borrowings	2,536	2,417
Total dividend and interest expense	16,140	15,022
Net interest income	24,563	22,782
Provision for credit losses	900	967
Net interest income after provision for credit losses	23,663	21,815
Non-interest income		
Customer service fees and commissions	3,517	2,946
Credit and debit card income	2,392	2,427
Loan and servicing fees	592	568
Unrealized gain on deferred compensation plan assets	778	412
Other income	269	270
Total non-interest income	7,548	6,623
Non-interest expenses		
Compensation and employee benefits	15,925	14,669
Occupancy costs	1,939	1,612
Operating expenses	8,079	7,215
Total non-interest expenses	25,943	23,496
Net income	5,268	4,942
Other comprehensive income		
Net adjustments pertaining to defined benefit and other post employment benefit plans	3,623	2,359
Net unrealized gains on investment securities, available for sale	87	47
Comprehensive income	$ 8,978	$ 7,348

Notes to Consolidated Financial Statements: (as of December 31, 2025 and December 31, 2024)
The accounting firm Bollus Lynch LLP conducted the audit of our consolidated financial statements.
The complete disclosure and footnotes are available at the Credit Union upon request.

CENTRAL ONE
FEDERAL CREDIT UNION

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