

2024 Chairman's Board Report

Keesler Federal Credit Union is about more than just numbers. It's about families working to secure their futures. It's about people with aspirations wanting to finance a car, or a boat or make improvements to their home. It's about a founding vision of "people helping people" that has guided our growth and strategy for more than 75 years. Mostly, Keesler Federal is about building communities to enhance the quality of life for our members and our neighbors.

But if it's numbers that interest you, Keesler Federal has a great story to tell about our performance in 2024! First, we welcomed 27,000 new members, bringing our total number to more than 330,000 members.

We ended the year with \$4.2 billion in total assets, a new record, and earned a net income of \$41.2 million to add to our members' equity. These strong earnings represent a Return on Assets (ROA) of 1.00 percent which compares very favorably to our peer organizations. In fact, Keesler Federal generated an extra 42 basis points (0.42 percent) in returns earning an additional \$16 million compared to like-sized credit unions.

Our credit union continues to be well-capitalized as measured by the National Credit Union Administration (NCUA), posting a Net Worth Ratio of 13.51 percent at year's end. This measure captures the strength of our organization and indicates a very high level of safety and soundness.

This allows us to serve our members with a variety of innovative products and services, such as our Military Appreciation Loan Program introduced last year, which offers a 1 percent discount on the approved rate for qualifying consumer loans to active duty, retired veterans and their spouses. This program has been so successful that we recently extended it to first responders and, later this year, will also make it available to educators.

Overall, your credit union made more than 30,000 loans totaling \$1.18 billion to your fellow members in 2024. This represents a net increase of \$12 million in lending, or 0.38 percent over the previous year. We averaged \$99 million in new loan originations each month, and our Loan-to-Share ratio closed the year at 97.63 percent.

We are always mindful of delivering the greatest possible value to our members by operating as efficiently as possible. Last year we decreased our Operating Expense Ratio by 0.02 percent year-over-year to 3.55 percent.

Unlike banks whose mission is to return profits to stockholders, credit unions like Keesler Federal are designed to reinvest earnings and serve their members in the form of higher

returns, lower financing costs and innovative products and programs. However, all financial institutions are faced with the reality that they must grow to survive and thrive.

Keesler Federal's growth and performance are a direct result of strategic decisions we make every day to ensure we are serving our members to the greatest extent possible. With this in mind, we are always looking for ways to grow responsibly.

In 2024, we opened two new branch locations in Louisiana – one in Mandeville, and one in Metairie. We also announced plans to merge this year with Jefferson Financial Federal Credit Union (JFFCU) of Metairie which has 14 branch locations and total assets of about \$700 million. Once completed, this credit union merger will be the largest in Mississippi and Louisiana history. Keesler Federal will grow to assets of just under \$5 billion with a total of 55 locations stretching from Baton Rouge to Mobile, including 4 locations in the United Kingdom.

Keesler Federal continues to make investments in the communities where our members live and work. Last year, we donated nearly \$1.2 million to the communities we serve, including some \$248,000 for 299 local community organizations, and \$930,000 to dozens of causes benefitting youth services, education, scholarships, veterans, disaster relief and other important issues.

We took an active role to raise our profile with the unveiling of Keesler Federal Park, home of our hometown Biloxi Shuckers, and sponsorships of Southern Miss athletics and the New Orleans Saints and the New Orleans Pelicans.

We also returned money directly back to individual members. In 2024, members received more than \$6.6 million in total givebacks through Kasasa checking account rewards, credit card rewards, Mississippi Aquarium discounts, and Saints and Pelicans ticket giveaways. And our innovative Member Giveback program awards 75 members with cash gifts each month through random drawings. Last year, 900 members won more than \$154,000 in through these monthly drawings.

Keesler Federal won many accolades in 2024 including a place on Newsweek's list of the "Best Regional Credit Unions in America" for the second year in a row. We were also named by Computerworld as a "Best Place to Work in IT." But as gratifying as national recognition is, nothing matters more to us than serving members like you and remaining true to the Keesler Federal founding vision of "people helping people."

On behalf of the board of directors and our entire Keesler Federal team, we thank you for your loyalty and for entrusting us to help you with all your financial needs.