

LISTENING, CARING,
DOING WHAT'S RIGHT

IT'S WHO
WE ARE



Annual Report
2024

2024 YEAR IN REVIEW

Board of Directors,
Tom Gibbs, Chairperson
Linda Andry, President & CEO

Reflecting on 2024, Ascentra Credit Union remained steadfast to the credit union principle of People Helping People. Meeting members where they are in their financial journey, providing financial education, being a trusted resource and walking beside our members through each step in their financial journey is what separates Ascentra from other financial institutions. For the past two years we watched other local financial institutions pull back on lending by increasing their borrowing rates to unattractive levels. Ascentra remained competitive, not only on the lending side, but also offering certificate specials to help our members grow their savings and earn additional interest on their hard-earned money. Food, gas and general living expenses continue to rise, putting pressure on individual and family budgets. Ascentra works hard to offer fair loan rates, lower fees and attractive deposit rates, allowing members to make the most efficient use of their dollars. We accomplish this by maintaining steady growth while being mindful of the financial stability of the credit union. Ascentra ended 2024 with a net worth ratio of 10.28 percent, which is measured as very well capitalized by the Iowa Division of Credit Unions and the National Credit Union Administration (NCUA). This is something our Board and Executive Management Team are incredibly proud of as it allows us to keep investing in great products and services for our members, investing in the well-being of our staff and continuing to make an impact in the communities we serve.

Ascentra Credit Union finished the year with over \$843.7 million in assets under management between the credit union, \$543.9 million, FHLB serviced mortgage portfolio, \$241 million, Ascentra Retirement & Investment Services, \$18.8 million, and First Community Trust, \$40 million. During 2024, with uncertainty in the economy and the increased costs of day-to-day living, we witnessed a contraction in our loan portfolio of \$2.2 million, with total loans to members ending at \$398.2 at year end. Even with this slight contraction, Ascentra members borrowed \$47.4 million in consumer loans, \$12.9 million in business loans, and \$45.7 million in mortgage loans. In late 2024, a new, small dollar loan offering was launched within our digital banking app, called CashNOW. Members have access to this product 24/7, and if approved for the loan, would have the needed cash in their account within minutes. During the first two months of the program, 1,551 loans were disbursed. We thank our members for trusting Ascentra for all their borrowing needs, no matter how large or small!



Serving others and our communities is core to our mission; when we lift one, we lift all! During 2024, Ascentra's Helping Hands Volunteer program was created to encourage our staff to give their time and talent to organizations within our communities. Ascentra staff recorded 1,974 volunteer hours touching 90 unique organizations. Listing them all would fill this entire report however I will name a few to give insight where our staff have served this past year. Living Lands & Waters, United Way of the Quad Cities, City of Bettendorf, Ascentra Credit Union Foundation, Booker Bear Reading Program at Bettendorf and Pleasant Valley, Moline Tiger Tales Reading Program, Scottie Reads at North Scott, New Kingdom Trail Riders and Advocacy efforts that support the credit union movement. Staff enjoy participating in our Casual for a Cause program, donating \$12,296 of their own dollars to dress casual in support of an individual, family, or organization in need. Staff are active in supporting their local United Way

through payroll deduction, raising \$16,048 during this past year. Staff participate in Ascentra's **"Be the Light"** event in the fall each utilizing \$50 provided by the credit union to bless individuals or organizations in need. We had 100 percent participation by our staff and the impact in our communities was outstanding!

At Ascentra, we are committed to being a good corporate community citizen by sharing a portion of our financial resources to improve the lives within the communities we serve. We cherish our partnerships with non-profit organizations that are trying to provide needed resources in our communities. These organizations have the infrastructure to be very impactful; we walk alongside them with modest financial resources to help accomplish their mission. Organizations such as the River Bend Food Bank, Humility Homes, QCCF Center for Nonprofit Excellence, Trinity Foundation, Junior Achievement, City Center Food Pantry, MLK Center, TMBC at the Lincoln Center, Davenport Community School Foundation and the Salvation Army continue to make a significant difference in our communities.

Each year, Ascentra has an auto loan promotion during the holidays, committing \$50 per loan being donated to a local non-profit and \$50 to our member for bringing the auto loan to Ascentra. In 2024, the "Ride 50" campaign raised awareness of the impact the Salvation Army's programs are making in the communities we both serve. With the loyalty of our membership, Ascentra's nine branches processed 219 auto loans which raised \$10,500! In addition, recognizing that needs in our communities are on the rise, our Board of Directors approved an additional \$15,000 toward the program. These donations were allocated accordingly to the Davenport, Moline, Muscatine and Clinton programs. A big thank you and congratulations to our members for helping us help others!

During 2024, the Ascentra Credit Union Foundation reached a giving milestone! Since our first grant in 2015 through year end 2024, 136 unique gifts have been made totaling \$1,035,292, primarily directed toward organizations whose missions support education, human services and youth development. In September, we held our 10th Annual Paul & Dale's Hack N' Give Back Golf Outing (formerly the Paul Lensmeyer Memorial Golf Outing), which over the years has raised \$236,000 to support meaningful programs in our area.

Ascentra is a mission driven financial cooperative dedicated to improving the financial lives of others. Since 1950, we have remained focused on providing sound financial services that lift our members and consistently give of our time, talent, and treasure to organizations in need. Serving our members, taking care of our staff and investing in our communities drive our passion and commitment to the credit union movement every single day. We could not do any of this without you, our members!

We value your membership, patronage and confidence in Ascentra Credit Union. Collectively, we are improving lives and our communities!

BOARD OF DIRECTORS

Tom Gibbs, *Chairperson*
Larry Ridenour, *Vice-Chairperson*
Mary Soeder, *Treasurer*
Brett Carter, *Secretary*

Board Members

Bob Lee
Mike Reyes
Gary Schocker
Troy Smith
Tameka Toney

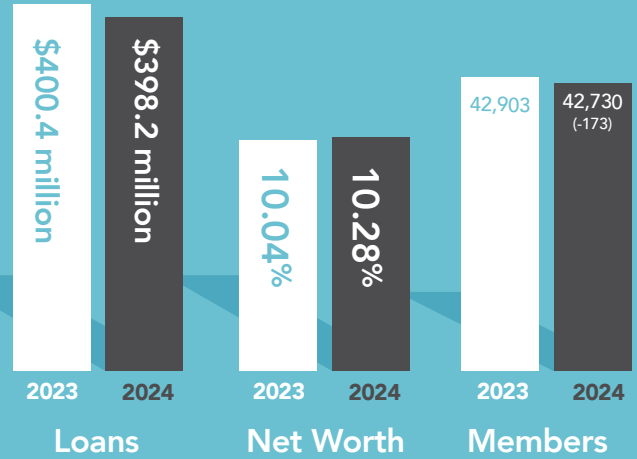
Associate Board Members

Ted Kurt

FINANCIAL SUMMARY

The financial performance of Ascentra Credit Union showed positive results for 2024. At the end of 2024 we are 42,730 members strong with nine branch locations to serve our membership! Loans to members totaled \$398.2 million at year end 2024, decreasing \$2.2 million, or 0.55 percent compared to 2023. We continue to serve our members well through mortgage products and consumer loan products. Share balances increased \$16.7 million, or 3.7 percent. Total assets increased \$9.8 million or 1.8 percent, ending at \$543.9 million. Equity balances increased \$2.9 million, or 5.6 percent, due to strong earnings for the year, combined with the rate environment's impact on our unrealized gain (loss) on investments. Ascentra Credit Union remains very well capitalized with a net worth ratio of 10.28 percent.

The complete Statement of Financial Condition appears below:



Statements of Income and Expenses Year ended December 31, 2024 (UNAUDITED) AND 2023

INCOME	2024	2023
Interest on Loans	\$22,832,381	\$20,735,544
Investment Income	\$4,454,796	\$3,394,535
Fee Income	\$3,949,229	\$3,797,778
Other Income	\$7,226,097	\$7,386,077
Total Income	\$38,462,503	\$35,365,466
OPERATING EXPENSES		
Salaries & Benefits	\$14,890,195	\$13,374,384
Travel & Conferences	\$221,559	\$246,359
Office Occupancy	\$1,675,319	\$2,060,413
Office Operations	\$2,122,092	\$2,509,739
Marketing & Business Development	\$1,169,542	\$1,073,438
Loan Servicing	\$1,632,458	\$1,462,645
3rd Party Hardware / Software	\$2,889,496	\$2,750,032
EFT Services	\$2,081,622	\$1,949,490
Professional / Outside Services	\$618,530	\$861,128
Provision for Loan Losses / Share Losses	\$2,792,516	\$1,735,400
Other Operating Expenses	\$871,147	\$755,314
Total Operating Expenses	\$30,964,476	\$29,731,160
COST OF FUNDS		
Dividends on Shares	\$424,188	\$496,360
Interest on Deposits	\$4,038,899	\$2,037,056
Interest on Borrowed Funds	\$617,008	\$311,612
Total Cost of Funds	\$5,080,095	\$2,845,028
NON-OPERATING INCOME / (EXPENSES)		
Gain / (Loss) on Sale of Investments	\$(145,073)	\$(76,202)
Gain / (Loss) on Sale of OREO	\$(34,484)	\$(10,427)
Total Non-Operating Income / (Expenses)	\$(179,557)	\$(86,629)
Net Income (Loss) Before Extraordinary Items	\$2,238,375	\$2,702,649
EXTRAORDINARY ITEMS		
Extraordinary Income	\$96,930	\$2,780
Extraordinary Expense	\$ 0	\$ 0
Net Income (Loss) After Extraordinary Items	\$2,335,305	\$2,705,429

Statement of Financial Condition Year ended December 31, 2024 (UNAUDITED) AND 2023

ASSETS	2024	2023
Loans to Members	\$398,165,958	\$400,371,559
Less: Allowance for Credit Losses	(6,260,219)	(6,170,677)
Net Loans	\$391,905,739	\$394,200,882
Cash	\$49,988,719	\$41,103,093
Investments	\$40,474,222	\$37,491,316
Property & Equipment	\$21,525,437	\$22,605,018
Other Assets	\$38,487,888	\$37,188,986
Goodwill	\$1,525,507	\$1,525,507
Total Assets	\$543,907,512	\$534,114,802
LIABILITIES AND EQUITY		
Regular Shares	\$136,244,103	\$137,220,735
Share Drafts	\$148,323,104	\$156,870,610
Money Market Accounts	\$42,234,552	\$44,148,191
Other Classes of Shares	\$23,862,758	\$25,405,280
Certificates	\$99,889,946	\$72,016,957
Individual Retirement Accounts	\$16,150,647	\$14,316,843
Funds Borrowed	\$9,000,000	\$16,000,000
Other Liabilities	\$13,858,850	\$16,681,840
Legal Reserves	\$16,305,012	\$16,305,012
Unrealized Gain (Loss) on Investments	\$(1,362,289)	\$(1,916,190)
Undivided Earnings	\$35,129,651	\$32,794,346
Equity Acquired in Merger	\$4,271,178	\$4,271,178
Total Liabilities and Equity	\$543,907,512	\$534,114,802
Net Worth Ratio	10.28%	10.04%



Ascentra Credit Union and Ascentra Credit Union Foundation donated a total of **\$60,000** to assist in achieving housing stability and accessible affordable housing for those in need.

AUDIT COMMITTEE REPORT

Gary Schocker, *Audit Committee Chairperson*

The Audit Committee is charged with overseeing the internal operations of the credit union to ensure compliance with federal and state regulations as well as credit union bylaws. To assist in this responsibility, the committee has engaged the services of Petersen & Associates, a certified public accounting firm. Petersen & Associates employs a variety of audit procedures in reviewing the operations of the credit union, the financial statements and corresponding records. We are pleased to report that no major discrepancies were found during the annual audit of Ascentra Credit Union.

The credit union engaged ViClarity LLC during 2024 to conduct a Bank Secrecy Act audit. We were very pleased with the outcome of this audit. During 2024, ViClarity also completed a Safe Act audit, a Lending Compliance audit, a Regulation E audit, and an ACH audit, all of which were very favorable.

The credit union engaged a company called Trace Security to conduct our annual IT risk assessment and IT security testing. Their reports provided favorable results of which we are very proud. Maintaining an information technology environment that provides the security of our member information is very important to us.

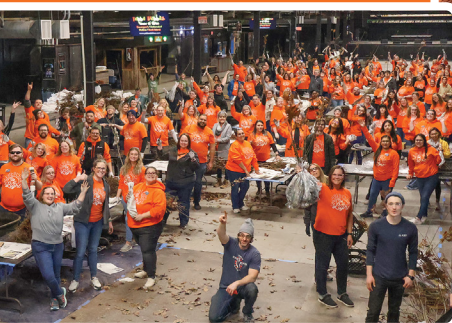
The National Credit Union Share Insurance Fund (NCUSIF) provides deposit insurance coverage per individual account holder, per federally insured credit union. Properly established member accounts in federally insured credit unions are insured up to the Standard Maximum Share Insurance Amount (SMSIA) of \$250,000. Ascentra Credit Union is a federally insured credit union that is categorized as "Well Capitalized" with a 10.28% net worth ratio at year end 2024.

In closing, I am pleased to report to the membership of Ascentra Credit Union these positive results representing the safety and soundness of Ascentra Credit Union.

I want to thank my fellow Audit Committee Members, Bob Lee and Tameka Toney for their time this past year serving on the committee.

IN THE COMMUNITY

Ascentra Staff supports the Marine Toys for Tots Foundation by donating toys during a toy drive at KWQC-TV.



As part of Ascentra's volunteer efforts, our entire staff spent the afternoon wrapping trees for Living Lands and Waters in February 2024.

OUR GENEROUS STAFF!

In 2024, Ascentra staff contributed **\$12,296** to local needs through the Casual for a Cause program.



In 2024, staff donated **\$16,048** to support United Way and celebrated their Day of Caring by volunteering at the Ballet Quad Cities.



CREDIT COMMITTEE REPORT

Mike Reyes, *Credit Committee Chairperson*

In 2024, Ascentra Credit Union disbursed \$106 million in loans. Consumer lending rates continued to increase through the year, auto loan demand slowed, mortgage and home equity rates continued to rise. We started offering our small dollar loan program, CashNOW, through Digital Banking in November and disbursed 1,551 loans. This resulted in an overall decrease in loans for the year of \$2.2 million, or .55 percent less than 2023 with total loans at year end coming in at \$398.2 million.

This past year was challenging for first mortgage lending due to rising interest rates and tough economic conditions. The credit union was able to help 15 members purchase their first home with a First Time Home Buyers Grant. The Grants totaled \$225,500, with each member receiving \$15,000. We closed 203 mortgage loans throughout the year. Total mortgage production for 2024 was \$31 million. We ended the year with a serviced mortgage portfolio of \$241 million and an in-house portfolio of \$152.7 million, an increase of over \$4.7 million from 2023.

Our Home Equity Loans were in high demand as members chose to borrow from the equity in their homes instead of moving or refinancing from a lower first mortgage rate. We continued to see members applying for Home Equity Lines of Credit as Prime Rate started to decrease, lowering our rate by .50 percent. In 2024, we closed 326 Home Equity loans for approximately \$15 million.

This was our first full year offering an Unsecured Business Line of Credit helping business members meet unexpected cash needs. Member Business Services funded 219 loans throughout the year. In 2024, we originated over \$12.9 million in gross Member Business loans, \$3.2 million in available Member Business Lines of Credit to our portfolio and funded \$2.7 million in Participation Loans.

Our Member Solutions Department worked diligently to help our members through financial difficulties as delinquency increased and members faced more challenges. Some options they offer are Extension, Skip-A-Pay or a Forbearance. We started using Text Messaging to remind members of past due loan payments. This allows members to click on a link and make their payments. Member Solutions recovered over \$781,000 in charge offs and ended the year with a delinquency ratio of .97 percent, an increase from .93 percent in 2023.

I want to thank my fellow committee members, Mary Soeder and Troy Smith for all their hard work. Thank you for your use of the credit union products and services last year.