

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, including 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 in 2025 to conduct a Bank Secrecy Act audit. We were very pleased with the outcome of this audit. During 2025, ViClarity also completed a SAFE Act audit, a lending compliance audit, a deposit compliance audit, a website/social media review, a member business lending audit, and an ACH audit, all of which were very favorable.

The credit union engaged CastleGarde to conduct its 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 members' 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 10.25 percent net worth ratio at year-end 2025.

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 Ted Kurt for their time this past year serving on the committee, as well as Associate Board member, Daisy Ramirez.



In 2025, Ascentra staff served approximately **155 organizations** throughout the area and logged **4,373 hours** through their volunteer efforts.



OUR GENEROUS STAFF!

In 2025, Ascentra staff contributed **\$11,306** to local needs through the Casual for a Cause program.

CREDIT COMMITTEE REPORT

Mike Reyes, Credit Committee Chairperson

In 2025, Ascentra Credit Union disbursed \$132 million in loans. Consumer lending rates slowly decreased throughout the year, and auto loan demand picked up. Our small dollar loan program, CashNOW, offered through Digital Banking, was in high demand. 3,487 loans were disbursed totaling more than \$3.4 million.

This resulted in an overall loan increase of \$17.1 million, or 4.31 percent higher than 2024 with total loans at year end reaching \$415.3 million.

Mortgage rates decreased slightly, prompting more members to purchase homes than in 2024. The credit union was able to help 15 members purchase their first home through the First-Time Home Buyers Grant program. Grants totaled \$225,000, with each member receiving \$15,000. We closed 247 mortgage loans during the year. Total mortgage production for 2025 was \$40 million. We ended the year with a serviced mortgage portfolio of \$224 million and an in-house portfolio of \$167 million, an increase of more than \$14.3 million from 2024.

Our home equity loans were an option for members who wanted 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 the prime rate continued to decrease, lowering our rate by 0.75 percent. In 2025, we closed 284 home equity loans totaling approximately \$15 million.

The need for business loans increased during the year and the business line of credit allowed members to build new homes. Member Business Services funded 237 loans throughout the year. In 2025, we originated over \$16.6 million in gross member business loans, added \$4.3 million in available Member Business Lines of Credit to our portfolio and funded \$2.8 million in Participation Loans.

Our Member Solutions Department worked hard to help our members through financial difficulties. Some options they offer are extensions, Skip-A-Pay, and forbearances. We continue 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 \$868 thousand dollars in charge-offs and ended the year with a delinquency ratio of .89 percent, a decrease of 0.08 percent from 2024.

I want to thank my fellow committee members, Brett Carter, Troy Smith, Avery Pearl, and Nick Salazar for all their hard work. Thank you to our members for using the credit union products and services last year.



Come be part of
THE DIFFERENCE.



IN THE COMMUNITY

Ascentra Staff support Café on Vine, a local food pantry, by volunteering to prep meals for those in need.



As part of Ascentra's volunteer efforts, our entire staff spent the afternoon wrapping trees for Living Lands and Waters in February 2025.



**Annual Report
2025**

2025 YEAR IN REVIEW

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



2025 was a milestone year for Ascentra, celebrating 75 years of People Helping People! From our humble beginnings in the basement of ALCOA, to our nine locations serving our communities today, Ascentra prides itself on staying true to the credit union mission of people helping people. Throughout the year, we had several mini-celebrations honoring our members, staff, board, and community partners. Lunches at our branch locations, membership drives, financial wellness initiatives, volunteerism, community partner recognition, and financial support of local nonprofit partners, all with 75th Anniversary themes, filled our year-long celebration! We are thankful for our first 75 years of service and look forward to another 75 years of building brighter tomorrows, together!

Ascentra works diligently to build trust and strong relationships with our members, and during 2025 we launched a comprehensive financial coaching program designed to provide our members with one-on-one coaching and access to a full range of financial resources. The program helps members evaluate their finances, learn good financial habits, and plan for their financial future. We continue 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 2025 with a net worth ratio of 10.25 percent, which is considered 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 \$828.2 million in assets under management between the credit union (\$575.2 million), the FHLB serviced mortgage portfolio (\$224 million), Ascentra Retirement & Investment Services (\$23 million), and First Community Trust (\$6 million). Ascentra members borrowed \$132 million in loans during 2025; \$19.4 million in business loans, \$55 million in mortgage loans, and the remainder, \$57.6 million in consumer loans. In our first full year of offering our small-dollar loan called CashNOW, we originated 3,487 loans for \$3.4 million. Members have access to this product 24/7 via our digital app and, if approved for the loan, have the cash needed in their account within minutes. Thank you for trusting Ascentra for all your borrowing needs, no matter how large or small!

Serving with heart and passion is core to our mission. During 2025, Ascentra's Helping Hands Volunteer program had a goal for our staff to serve 2,750 hours. Our Ascentra Team exceeded this goal, serving 155 unique organizations with 4,373 volunteer hours, creating a \$152,137 estimated impact through volunteer efforts. Staff enjoy participating in our Casual for a Cause program, donating \$11,306 of their own dollars to dress casually in support of an individual, family, or organization in need. Staff are active in supporting their local United Way through payroll deduction and special events, raising \$20,334 during this past year. Staff also participate in Ascentra's "Be the Light" event in the fall, each utilizing \$75 provided by the credit union to bless individuals or organizations in need.

At Ascentra, we are committed to being good corporate citizens by sharing a portion of our financial resources to improve the lives of those within the communities we serve. As a part of our 75th Anniversary celebration and in conjunction with National Nonprofit Day on August 17, we donated \$75,000 across 10 nonprofits in the Quad Cities, Clinton, and Muscatine areas to mark a legacy of community impact, local giving, and partnership. Organizations receiving \$7,500 each were: The Gray Matters Collective, Hand in Hand, the Victory Center Rescue Mission, the Martin Luther King Jr. Center, Project NOW, MCSA (the Muscatine Center for Social Action), LULAC (League of United American Citizens Council #10), CASI (Center for Active Seniors), USW (United Steel Workers) Local #105, and Habitat for Humanity Quad Cities. We thank these nonprofits for the impactful work they are doing to lift and improve the lives in our communities!

Each year, Ascentra has an auto loan promotion during the holidays, committing \$50 per loan to be donated to a local nonprofit and \$50 to our member for bringing the auto loan to Ascentra. In 2025, to celebrate our 75th Anniversary, we branded the campaign as "Ride 75," increasing those donations to \$75 and raising 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 406 auto loans which raised \$30,525. 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 to help others.

During 2025, the Ascentra Credit Union Foundation granted \$119,200 in gifts, bringing the inception-to-date total to 151 unique gifts totaling \$1,154,492. These grants are primarily directed toward organizations whose missions support education, human services, and youth development.

In September, we held our 11th annual Paul & Dale's Hack N' Give Back Golf Outing (formerly the Paul Lensemeyer Memorial Golf Outing), which over the years has raised \$262,000 to support meaningful programs in our area.

Ascentra is a mission-driven financial cooperative dedicated to improving the financial lives of others. During 2026, we are going to expand our mission to Rock Island, Illinois. Our next branch facility will be constructed in the west end of Rock Island to serve a community that needs a trusted financial institution. Since 1950, we have remained focused on providing sound financial services that lift our members and improve their financial lives. We look forward to bringing our commitment of people helping people to the citizens of Rock Island.

Serving our members, taking care of our staff, and investing in our communities are the pillars that 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 building brighter tomorrows, together!

BOARD OF DIRECTORS

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

Board Members

Ted Kurt
Bob Lee
Mike Reyes
Gary Schocker
Troy Smith

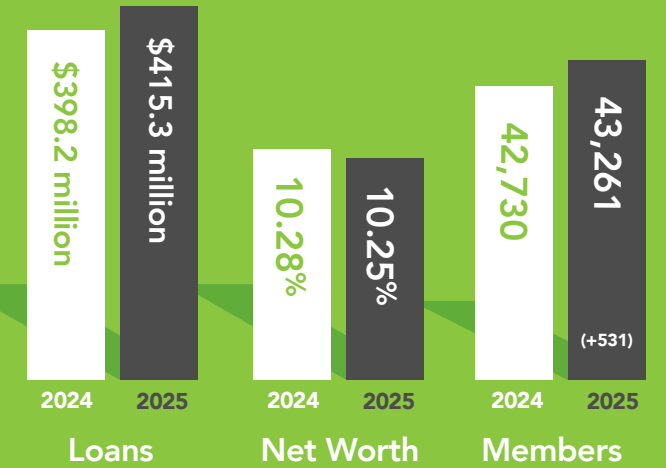
Associate Board Members

Avery Pearl
Daisy Ramirez
Nick Salazar

FINANCIAL SUMMARY

The financial performance of Ascentra Credit Union showed positive results for 2025. At the end of 2025 we are 43,261 members strong with 9 branch locations to serve our membership! Loans to members totaled \$415.3 million at year end 2025, increasing \$17.1 million, or 4.3 percent compared to 2024. We continue to serve our members well through mortgage products and consumer loan products. Share balances increased \$22.6 million, or 4.8 percent. Total assets increased \$31.3 million or 5.8 percent, ending at \$575.2 million. Equity balances increased \$4.5 million, or 8.3 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 10.25 percent.

The complete Statement of Financial Condition appears below:

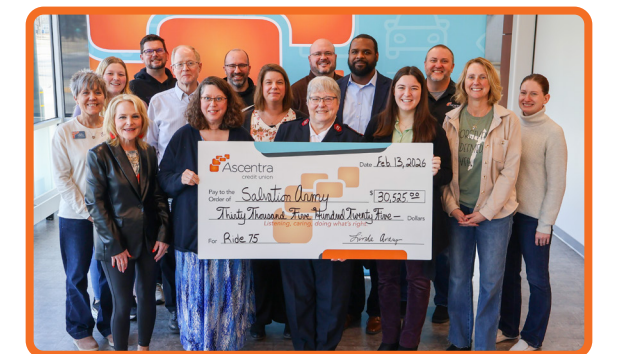


Statements of Income and Expenses Year ended December 31, 2025 (UNAUDITED) AND 2024

	2025	2024
INCOME		
Interest on Loans	\$25,168,086	\$22,832,381
Investment Income	4,987,613	4,454,796
Fee Income	3,875,114	3,949,229
Other Income	8,302,914	7,226,097
Total Income	\$42,333,727	\$38,462,503
OPERATING EXPENSES		
Salaries & Benefits	\$16,204,887	\$14,890,195
Travel & Conferences	288,268	221,559
Office Occupancy	1,836,472	1,675,319
Office Operations	1,956,658	2,122,092
Marketing & Business Development	1,537,055	1,169,542
Loan Servicing	1,661,318	1,632,458
3rd Party Hardware / Software	3,220,436	2,889,496
EFT Services	2,049,457	2,081,622
Professional / Outside Services	1,175,944	618,530
Provision for Loan Losses / Share Losses	3,260,000	2,792,516
Other Operating Expenses	955,472	871,147
Total Operating Expenses	\$34,145,967	\$30,964,476
COST OF FUNDS		
Dividends on Shares	\$409,496	\$424,188
Interest on Deposits	4,828,722	4,038,899
Interest on Borrowed Funds	326,357	617,008
Total Cost of Funds	\$5,564,575	\$5,080,095
NON-OPERATING INCOME / (EXPENSES)		
Gain / (Loss) on Sale of Investments	\$0	\$(145,073)
Gain / (Loss) on Sale of OREO	(4,945)	(34,484)
Total Non-Operating Income / (Expenses)	\$(4,945)	\$(179,557)
Net Income (Loss) Before Extraordinary Items	\$2,618,240	\$2,238,375
EXTRAORDINARY ITEMS		
Extraordinary Income	\$407,008	\$96,930
Extraordinary Expense	0	0
Net Income (Loss) After Extraordinary Items	\$3,025,248	\$2,335,305

Statement of Financial Condition Year ended December 31, 2025 (UNAUDITED) AND 2024

	2025	2024
ASSETS		
Loans to Members	\$415,311,166	\$398,165,958
Less: Allowance for Credit Losses	(6,670,788)	(6,260,219)
Net Loans	\$408,640,378	\$391,905,739
Cash	\$48,632,675	\$49,988,719
Investments	51,745,248	40,474,222
Property & Equipment	20,666,747	21,525,437
Other Assets	43,972,479	38,487,888
Goodwill	1,525,507	1,525,507
Total Assets	\$575,183,034	\$543,907,512
LIABILITIES AND EQUITY		
Regular Shares	\$145,551,258	\$136,244,103
Share Drafts	150,151,131	148,323,104
Money Market Accounts	42,832,863	42,234,552
Other Classes of Shares	23,982,589	23,862,758
Certificates	109,216,277	99,889,946
Individual Retirement Accounts	17,563,900	16,150,647
Funds Borrowed	12,600,000	9,000,000
Other Liabilities	14,406,314	13,858,850
Legal Reserves	16,305,012	16,305,012
Unrealized Gain (Loss) on Investments	147,613	(1,362,289)
Undivided Earnings	38,154,899	35,129,651
Equity Acquired in Merger	4,271,178	4,271,178
Total Liabilities and Equity	\$575,183,034	\$543,907,512
Net Worth Ratio	10.25%	10.28%



Ascentra Credit Union donated a total of **\$30,525** to local Salvation Army branches in the Quad Cities, Clinton and Muscatine communities as part of Ascentra's annual Holiday Auto Loan Promotion.