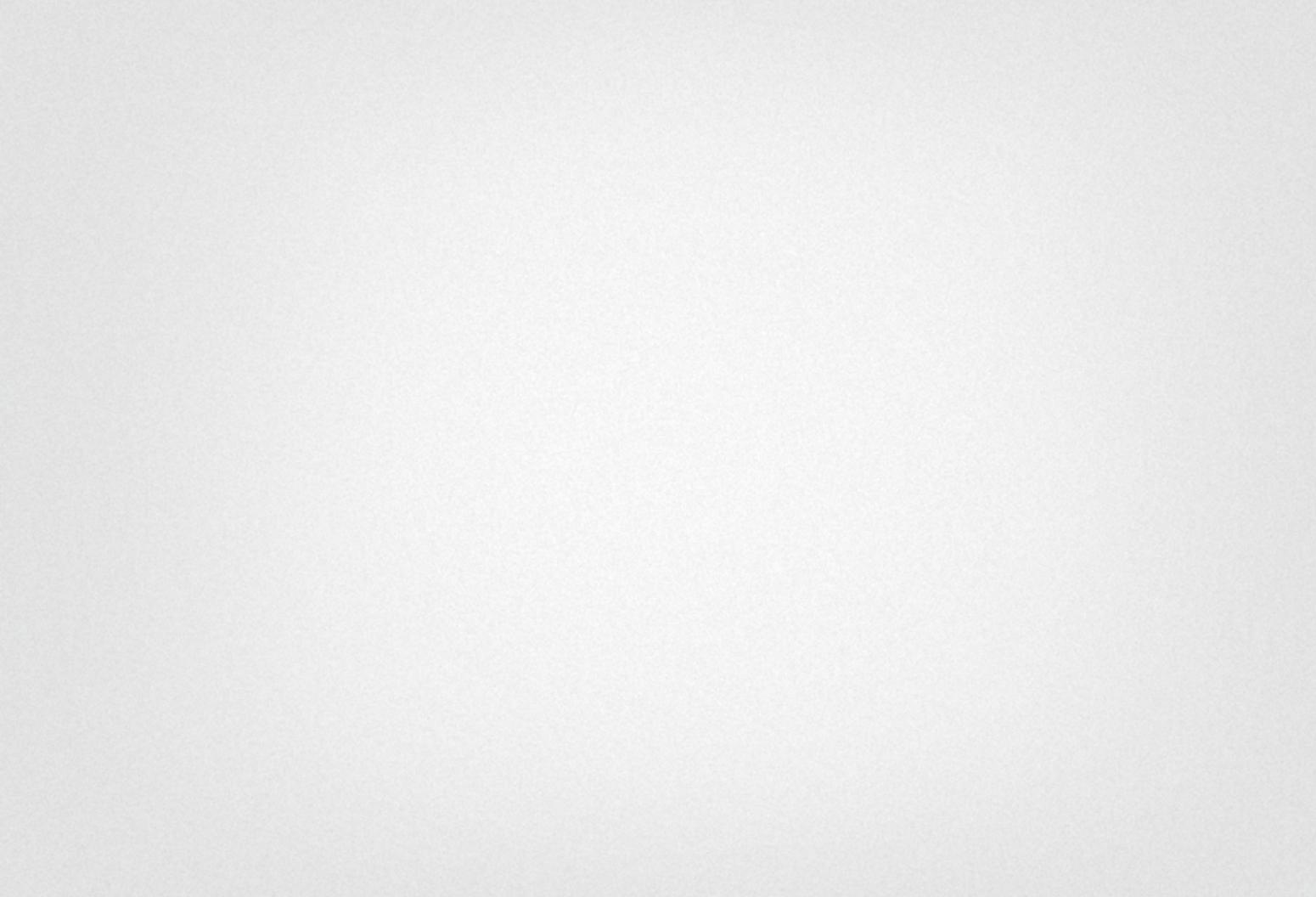




2020 Annual Report





Our promise is to educate and
help you effectively manage
your finances.

We deliver this promise by asking you questions and offering our full, undivided attention to
understand your current life situation and future plans before offering solutions.

Caren Gabriel

PRESIDENT AND CEO



Last year presented its share of challenges, but I'm pleased to report that Ascend, our employees and our members dealt with and overcame adversity – and helped our neighbors along the way.

At the beginning of 2020, we successfully launched a new core operating system that laid the groundwork for enhanced products and services in the future. In March, after tornadoes cut a path of destruction through Middle Tennessee, Ascend employees raised \$5,200 and donated blood to help tornado victims. Ascend, its members and its employees also contributed a total of \$154,481 to Vanderbilt Children's Hospital, Second Harvest Food Bank of Middle Tennessee, the Tennessee Chapter of the Leukemia & Lymphoma Society, the Central Tennessee Chapter of the Susan G. Komen Breast Cancer Foundation, the American Cancer Society, and Partners for Healing. Also, Ascend employees collected 7,271 food items for

Second Harvest to help Middle Tennesseans have access to food during the holidays.

And of course, there was the pandemic. As an essential business, Ascend followed Centers for Disease Control and Prevention (CDC) guidelines to keep our members and employees safe while keeping our doors open. On behalf of our board of directors and our members, I sincerely thank our more than 600 employees for their perseverance and positive attitudes they displayed while continuing to serve members under unprecedented circumstances.

I also want to thank you for your patience and understanding as we worked through extraordinary challenges together. And, as always, thank you for your membership with Ascend.

\$3

billion in assets

607

Middle Tennesseans employed

225,746

members

Pat Eagan

CHAIRMAN



I am pleased to report that last year, amid many challenges, Ascend made account access easier than ever before for our members:

- We not only added ATM functionality to our interactive teller machines (ITMs), but we also began converting all our drive-ups to ITMs. This allowed us to expand member service hours from 7 a.m. to 7 p.m., Monday through Saturday at most of our branches.
- Speaking of branches, we opened several:
 - Nashville-Bellevue
 - Nashville-Green Hills
 - Murfreesboro-Memorial Boulevard
 - Gallatin
 - And, we rebuilt our Smyrna branch.
- We added a way for members to visit our website and schedule their next branch visit.
- We introduced 24/7 account assistance by phone – including holidays and weekends.
- We announced Ascend membership eligibility to those living, working, worshiping and attending school in certain census tracts of Warren, White and Van Buren counties.
- We introduced text alerts to help members stay up to speed with credit union system maintenance notifications and special marketing offers.

- We also opened our new Member Service Center, which is Ascend's hub for our representatives who serve members via ITMs, in Tullahoma.

These improvements couldn't have come at a better time. ITMs not only allow us to extend our service hours, but they offer members face-to-face service without having to be face-to-face in a branch. The ability to schedule appointments means members don't have to stand in crowded lobbies. And 24/7 account assistance by phone extends the concept of banking where and when it's most convenient for you.

The bottom line is Ascend made great improvements to ensure reliable member service by providing safe interfaces.

I am also pleased to report that your member-based board of directors approved \$4.3 million in bonus dividends and loan interest refunds in 2020, and we provided real-time assistance through COVID-19 relief programs.

Despite a challenging year, Ascend not only survived, but thrived! Thank you for your membership. On behalf of your volunteer board, we appreciate your confidence in and loyalty to Ascend Federal Credit Union!

Valerie Molette

TREASURER



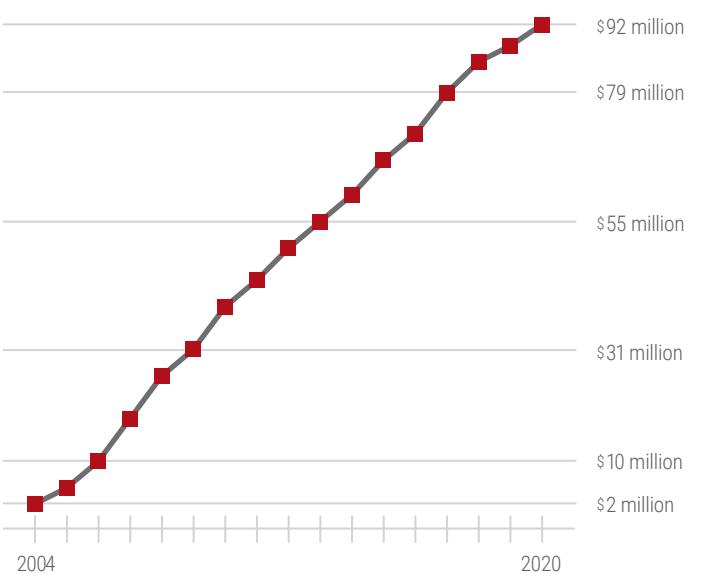
Last year, Ascend's board of directors voted for a \$4.3 million member return. This was quite an achievement given the initial downturn of the economy. Over the past 16 years, Ascend's volunteer board has returned more than \$92 million to members.

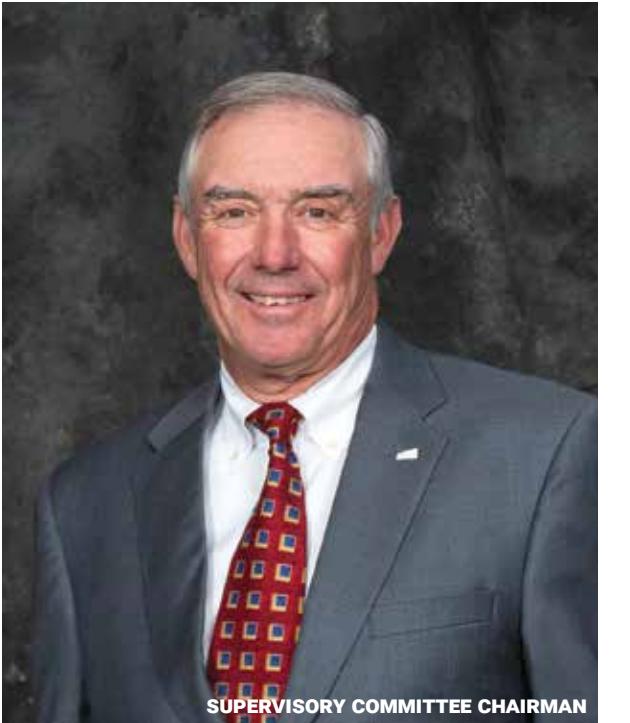
In 2020, Ascend's assets increased more than \$545.1 million. The credit union had a return on assets of 0.84 percent and a net worth of \$444.9 million. For specific financial details from 2020, please review the "Statement of Condition" and "Statement of Income and Expense" following this report.

I'm so pleased that Ascend not only remained the safe and sound financial institution that members have trusted for nearly 70 years, but we were also able to put money back into members' pockets at a time when they needed it the most.

Thank you for your loyalty to and membership with Ascend!

Cumulative amount of 16 years of bonus dividends and loan interest refunds 2004-2020





SUPERVISORY COMMITTEE CHAIRMAN

Steve Passarello

The Supervisory Committee is appointed by Ascend's board of directors, who task it with several objectives:

- Ensuring sound financial practices are followed
- Accurate and timely financial reporting
- Effective internal control procedures
- Practices and procedures that protect member assets

The Committee oversees Ascend's internal auditors in addition to contracting with an external audit firm. The National Credit Union Administration (NCUA), which is Ascend's regulator, conducts additional reviews on the credit union's financial condition, quality of management, and risk of loss to member capital and the National Credit Union Share Insurance Fund (NCUSIF).

I am pleased to report that the audits and examinations along with the observations of the Committee have shown that Ascend is a well-managed financial institution that continues to be secure and sound.

SUPERVISORY COMMITTEE



Anthony Taylor



Josh Johns



Charlie Dillingham



Janet Marshall

48.5

combined years of service by
our board members.



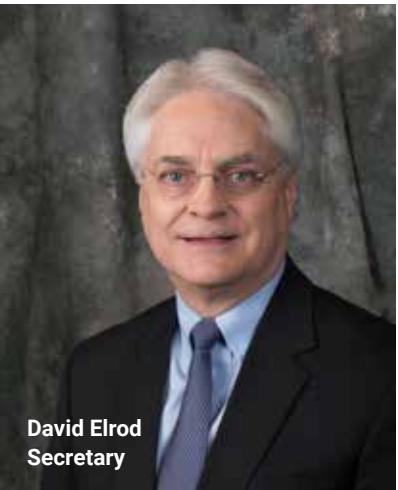
Pat Eagan
Chairman



Lucy Matthews
Vice Chairman



Valerie Molette
Treasurer



David Elrod
Secretary



Randal Braker



Andy Flatt



Ray Guzman



Mark Rigney



Anthony Taylor

Ascend's Volunteer
Board of Directors

Statement of Income and Expense

Distribution of Income Dollars



Income

| | |
|-----------------------------------|-----------------------|
| Interest on Loans | \$ 97,704,187 |
| Income from Investments | \$ 5,076,974 |
| Misc. Operating Income | \$ 42,035,600 |
| Non-Operating Gains (Losses)..... | \$ 991,305 |
| Total Income..... | \$ 145,808,066 |

Expenses

| | |
|---------------------------------------|----------------------|
| Office Operations | \$ 87,513,312 |
| Fed Supervision & Examination..... | \$ 519,739 |
| Annual Meeting..... | \$ 2,470 |
| Provision for Loan Losses | \$ 9,867,442 |
| Total Operating Expenses | \$ 97,902,963 |

Statement of Condition

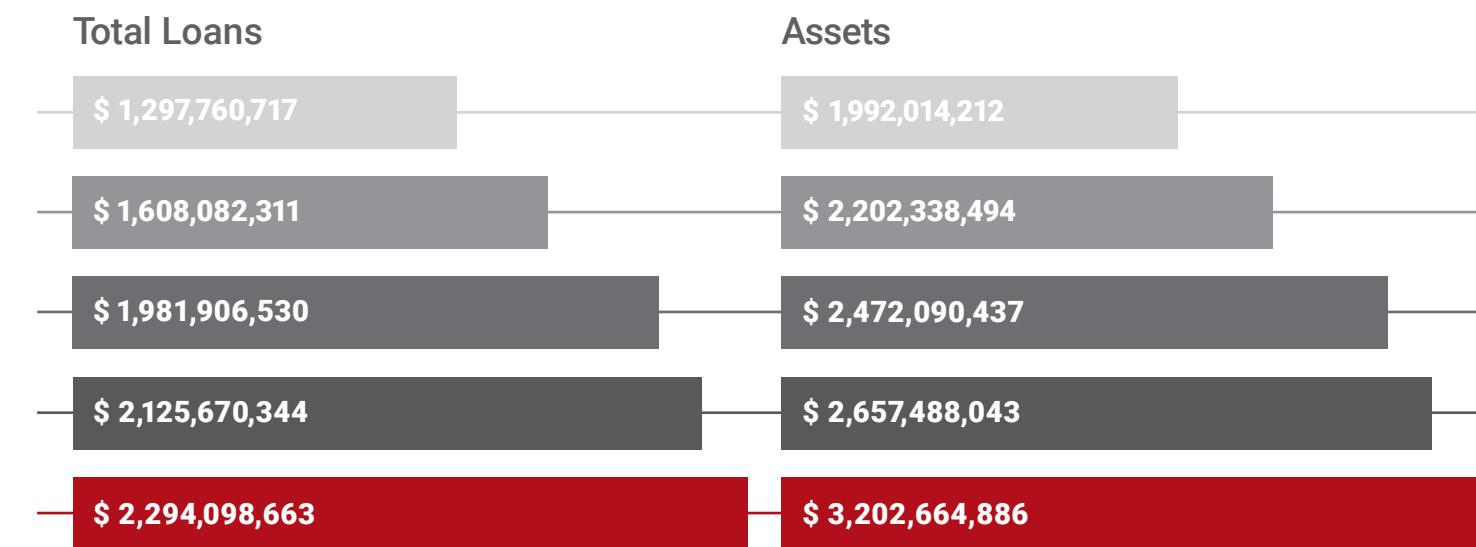
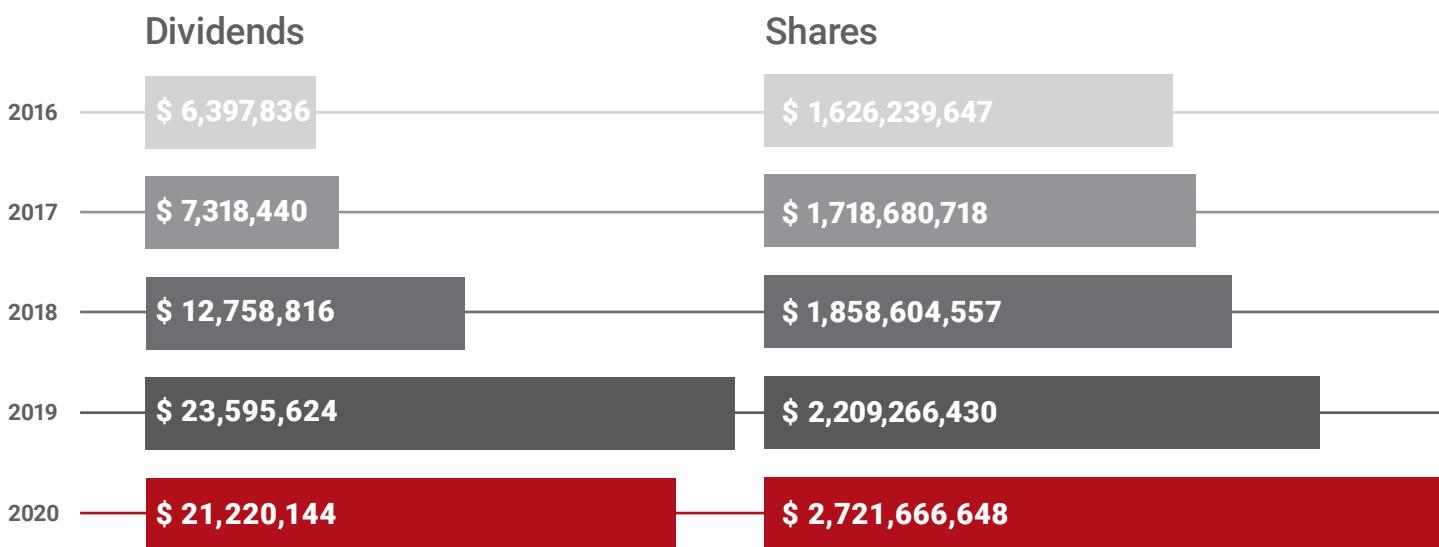
Assets

| | |
|-----------------------------------|-------------------------|
| Total Loans | \$ 2,294,098,663 |
| Less Allowance for Loan Loss..... | \$ 12,118,007 |
| Net Loans | \$ 2,281,980,656 |
| Cash & Receivables | \$ 264,799,797 |
| Investments | \$ 474,846,735 |
| Accrued Income..... | \$ 7,389,230 |
| Prepaid & Deferred Expenses..... | \$ 3,626,244 |
| Fixed Assets (Net) | \$ 92,752,776 |
| NCUSIF Deposit | \$ 22,452,126 |
| Other Assets | \$ 54,817,323 |
| Total Assets | \$ 3,202,664,886 |

Liabilities & Equity

| | |
|---|-------------------------|
| Payables & Accrued Expenses..... | \$ 27,464,689 |
| Shares: | |
| Savings Accounts | \$ 981,375,542 |
| Money Market Accounts | \$ 610,025,937 |
| Share Certificate Accounts | \$ 473,292,176 |
| Checking Accounts..... | \$ 396,817,056 |
| Individual Retirement Accounts | \$ 260,155,937 |
| Regular Reserve | \$ 26,620,701 |
| Undivided Earnings | \$ 418,324,534 |
| Equity Acquired in Merger | \$ 8,266,844 |
| Accumulated Unrealized Gains/Losses on Available-for-Sale Securities | \$ 321,470 |
| Total Equity | \$ 3,175,200,197 |
| Total Liabilities & Equity..... | \$ 3,202,664,886 |

Financial Performance



Promise

Educate and help members become effective financial stewards.

Mission

Enhance members' lives with superior products delivered with service excellence.

Vision

Elevate members' trust to establish Ascend as their primary financial institution.

ascend.org

Federally insured by NCUA.