



PROGRESS WITH A PURPOSE

Annual &
Community
Report 2025



BOARD CHAIR'S REPORT



“Together, we honor the past that brought us here and embrace a future filled with opportunity.”

2025 was a defining year for Y-12 Credit Union — a year shaped by growth, transition, and bold steps forward while honoring the legacy that brought us to where we are today. As we celebrated our 75th anniversary, we also embraced some of the most significant moments in our modern history. It is my privilege to reflect on this extraordinary year and share how we are building a future grounded in service, strength, and opportunity.

In July, we celebrated the retirement of Mark Ziegler, who concluded nearly 11 remarkable years of service as our President and CEO. Mark's impact on Y-12 Credit Union cannot be overstated.

Under his leadership, our organization grew from \$600 million to over \$2 billion in assets, with earnings increasing more than 600%. Net worth rose substantially, reflecting a strategy built on disciplined growth, sound financial stewardship, and an unwavering commitment to members.

Mark guided the Credit Union through some of our most challenging times, including the global pandemic. During that time, his leadership ensured that employees were not only supported but genuinely cared for. Every employee received a bonus each year of Mark's tenure, a reflection of his belief that when you take care of your people, they can take even better care of your members.

We are profoundly grateful for Mark's vision, his humanity, and the strong foundation he leaves behind.

On March 1, we welcomed Dustin Millaway as our new President and CEO — a milestone that brings both continuity and fresh energy to our organization.

Dustin has been an integral part of Y-12 Credit Union for a decade, serving as Chief Financial and Strategy Officer. In his 17 years in financial services, he has built a reputation for strategic insight, operational excellence, and authentic passion for member-focused service.

Dustin championed the successful expansion of our field of membership with the NCUA, a pivotal achievement that set the stage for our acquisition of First State Bank of the Southeast and opened new doors for future growth across the region. His leadership played a significant role in guiding the organization past the \$2 billion asset milestone — a marker of strength that positions us well for long-term expansion.

Dustin's leadership style reflects equal parts innovation and humility — a combination that will serve our members, employees, and communities well for years to come.

A great organization is built by great teams, and in April, we strengthened ours by promoting several talented leaders whose expertise and dedication will help shape our next chapter:

- **Courtland Crouchet** — Executive Vice President, Chief Experience Officer
- **Laura Stewart** — Chief Financial Officer
- **Todd Richardson** — Chief Technology & Innovation Officer
- **Jon Holland** — Senior Vice President, Retail
- **Melissa Hubbard** — Senior Vice President, Operations
- **Stephanie Smith** — Senior Vice President, Commercial & Lending Operations

These individuals bring strategic vision and people-first leadership to every area of the Credit Union. Their promotions reflect both the depth of our talent and our commitment to developing leaders from within.

On June 29, Y-12 Credit Union proudly celebrated its 75th anniversary — a moment to honor our heritage and the generations of members, employees, and volunteers who built the institution we are privileged to lead today.

Seventy-five years ago, our Credit Union was founded with a simple philosophy: people helping people. That promise continues to guide every decision we make and every member we serve.

Following our major brand refresh, 2025 saw the complete transformation of all branch locations, bringing our modern identity to life. These updated spaces reflect a vibrant, member-friendly experience aligned with who we are today: an innovative, accessible, community-driven credit union prepared for the future.

In July, we finalized the acquisition of First State Bank of the Southeast, marking the first time in our 75-year history that Y-12 Credit Union expanded beyond Tennessee. This milestone not only broadened our geographic footprint into Southeast Kentucky, but strengthened our ability to serve more individuals, families, and businesses with exceptional financial services.

Integration planning began immediately, with full systems integration scheduled for April 2026. While the acquisition will be covered in detail in a dedicated article, I want to emphasize how significant this moment is in our long-term strategy. We are proud to welcome new members, new employees, and new communities to Y-12 Credit Union.

As we move into 2026, we do so with renewed energy, strengthened leadership, and an unwavering commitment to our mission. The groundwork laid this year positions us for continued growth and deeper community impact.

To our members: You are the reason we exist, and it is your trust that inspires us to innovate and evolve.

To our employees and volunteers: Thank you for your dedication, your passion, and the heart you bring to the Credit Union every day.

To our board and leadership team: Your vision and stewardship make everything possible.

Together, we honor the past that brought us here and embrace a future filled with opportunity.

Here's to the next chapter of growth, innovation, and service at Y-12 Credit Union.

David Rupert
Chair, Board of Directors

Asset Liability Management Committee

Laura Stewart, Chair
Courtland Crouchet, Member
David Liles, Member
Dustin Millaway, Member
Jim Wood, Member

Credit Union Services of East Tennessee, LLC*

Lloyd Jollay, Chair
Dustin Millaway, Treasurer
Tom Fisher, Secretary
Jan West, Member
Jeff Jackson, Member

Supervisory Committee

Kevin Cress, Chair
Hilary Shreter, Secretary
Hurtis Hodges, Member
Joey Morrell, Member
John Priano, Member

Executive Team

Dustin Millaway, President/Chief Executive Officer
Courtland Crouchet, EVP/Chief Experience Officer
Jim Wood, Chief Lending Officer
Laura Stewart, Chief Financial Officer
Lynn Boston, Chief People Officer
Todd Richardson, Chief Technology & Innovation Officer

*Wholly owned subsidiary

BOARD OF DIRECTORS

Our volunteer board and committee members play a vital role in shaping the direction of our Credit Union. They contribute their time, expertise, and leadership in ongoing strategic efforts that place members at the center of every decision. Their dedication reflects the cooperative spirit that fuels the credit union movement and strengthens our mission.



David Rupert
Chair



Lloyd Jollay
Vice Chair



David Liles
Financial Officer



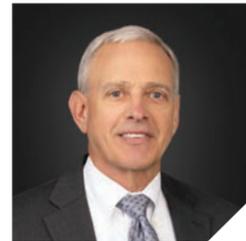
Hurtis Hodges
Secretary



Jessica Steed
Director



Sam Pelchar
Director



Tom Fisher
Director

2025 CREDIT UNION AWARDS & RATINGS

Awards

Top Workplaces Awards

- Culture Excellence Awards
 - Appreciation
 - Compensation & Benefits
 - Employee Well-Being
 - Innovation
 - Leadership
 - Professional Development
 - Purpose & Values
 - Work-Life Flexibility

- National Financial Services Industry Award

- National Awards
 - Remote Work
 - Frontline Workers

- Knox News Regional Awards
 - Top Workplaces in our local region
 - Well-Being Specialty

Awards are based on feedback from a research-backed employee engagement survey.

Best of Anderson County

Best Bank and Best Credit Union
 Voted on by readers of the Clinton Courier

Jack Henry Cobalt Award

The Cobalt Awards honor financial institutions for innovation, impact, and empowering financial freedom. We received the Changemakers Award for automating key processes to reduce fraud loss by 93%.

Marketing Association of Credit Unions Award

The MAC Awards highlight marketers who create innovative campaigns with tangible results. We received a Silver Award for our brand refresh.

Newsweek Recognition

We were honored to be included in America's Best Regional Banks and Credit Unions list.

Ratings

BauerFinancial, Inc.

5-Star Rating
 The nation's premier bank and credit union rating firm awarded its highest (5-Star) rating for financial strength and stability. Earning a 5-Star rating indicates we excel in areas of capital adequacy, profitability, asset quality, and much more.

Employee Engagement Score

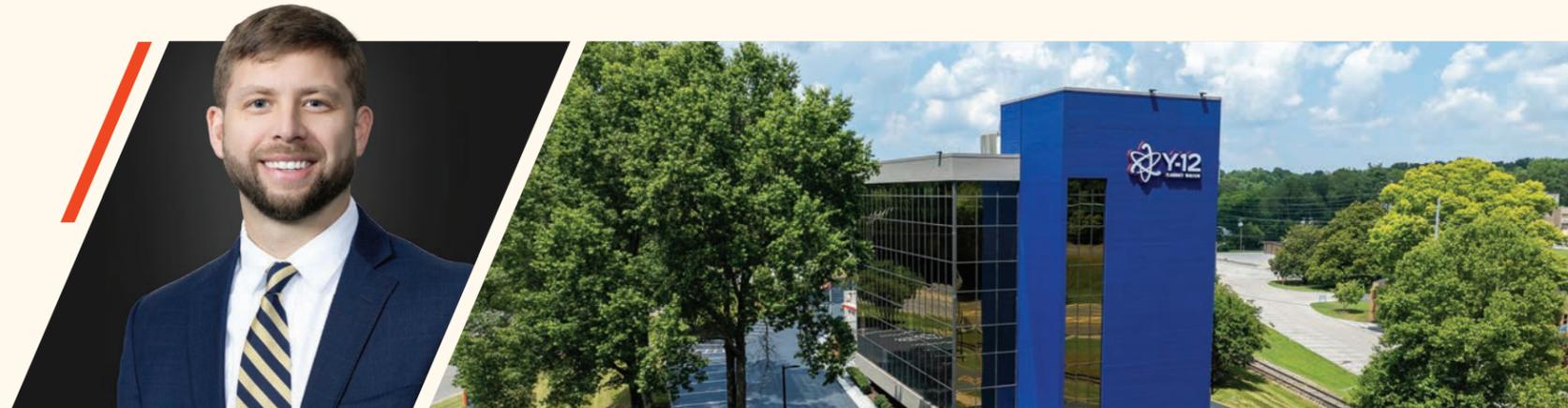
Our score of 85% surpassed the industry benchmark of 72%, demonstrating our continued commitment to fostering a highly engaged workforce.

Net Promoter Score (NPS)

Our NPS of 84.2 exceeded the industry benchmark of 64.8, emphasizing the trust and confidence our members place in us.



Meet the CEO: Dustin Millaway



On March 1, Y-12 Credit Union proudly welcomed Dustin Millaway as President and CEO. With 17 years in financial services and a decade guiding Y-12 Credit Union's financial strategy, Dustin steps into this role with a deep understanding of who we are, where we've been, and where we're headed.

Proven Leader With a Vision for Growth

During his tenure as Chief Financial and Strategy Officer, Dustin helped shape many of the milestones that define our momentum today:

Expanding Access to Membership

Dustin led the charge in expanding our field of membership with the NCUA, opening the door for many new potential members across multiple states. This expansion set the stage for the historic acquisition of First State Bank of the Southeast and laid the groundwork for future growth opportunities that align with our long-term vision.

Strengthening Financial Performance

Under his leadership in finance and strategy, Y-12 Credit Union surpassed \$2 billion in assets, achieved sustained earnings growth, and built an exceptionally strong financial foundation.

His thoughtful approach to planning and risk management helped ensure stability during periods of both economic uncertainty and rapid expansion.

Championing Innovation and Member Experience

Dustin has consistently advocated for modern, intuitive, and accessible banking solutions. His influence can be seen across digital enhancements, strategic technology investments, and initiatives designed to simplify the banking experience and bring more value to members.

"It is an honor to continue the work that has defined Y-12 Credit Union for more than seven decades. Our commitment to serving members with integrity, compassion, and innovation is unwavering. I'm excited for the future we are building together — with new opportunities, deeper community partnerships, and a continued focus on making banking easier and brighter for every member we serve."

Rooted in People & Purpose

Dustin's leadership is grounded in the values that have defined Y-12 Credit Union for 75 years — service, integrity, and genuine care for people. Colleagues describe him as collaborative, humble, and exceptionally easy to talk to. In just a few short months as CEO, employees have responded with overwhelmingly positive feedback, noting his openness, authenticity, and the steady confidence he brings to every interaction. He is known for creating a culture where employees feel valued, supported, and empowered to grow.

Looking Ahead

Under Dustin's leadership, members can expect:

- Continued investment in digital banking and innovation
- A seamless and member-focused integration of First State Bank of the Southeast
- Expansion into new communities guided by our mission and values
- A culture where employees are supported, empowered, and inspired
- A relentless focus on delivering value, clarity, and exceptional service

As we celebrate our 75-year legacy and look toward the next 75 years, we are confident that Y-12 Credit Union is in strong, capable, and visionary hands. Welcome, Dustin. We're proud to begin this next chapter with you.

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee, as mandated by the Federal Credit Union Act, is responsible for ensuring that the Board of Directors and management meet required financial reporting objectives and maintain practices and procedures that safeguard members' assets.

The Committee is composed of volunteers appointed by the Board of Directors. These individuals are not employees of the Credit Union and serve to provide independent oversight on behalf of all members. It oversees the Internal Audit department as well as external auditing resources to support the fulfillment of its responsibilities, and it works with the Board and management to strengthen the Credit Union's operations and governance.

The Supervisory Committee engages an independent certified public accounting firm to conduct an annual audit of the Credit Union's financial statements. The most recent audit, conducted by Doeren Mayhew, concluded that the consolidated financial statements present fairly, in all material respects, the financial position of the Credit Union in accordance with generally accepted accounting principles.

In addition, the Committee oversees a broad range of audits and review activities to ensure that internal controls, policies, and procedures comply with regulatory requirements, are properly administered, and effectively mitigate risks related to error, conflicts of interest, self dealing, and fraud.

Based on the annual financial audit and the various audits and reviews conducted throughout the year, the Supervisory Committee is of the opinion that internal controls are effective and provide appropriate protection for the Credit Union, its members, management, and employees. As always, the Supervisory Committee remains committed to fulfilling its mission and upholding members' confidence in the soundness of their Credit Union.

Kevin Cress

Kevin Cress

Chair, Supervisory Committee

FACILITY REBRANDS COMPLETE

In 2025, Y-12 Credit Union completed the full rebrand of all Tennessee branch locations. Each branch now reflects the bold, modern look introduced through our updated brand identity. The redesigned spaces highlight our focus on innovation, accessibility, and a refreshed member experience.

This milestone brings visual consistency across our network and creates a more welcoming environment for members. From updated signage and vibrant exterior treatments to refreshed interiors, every location now reflects who we are today and supports the forward-looking direction of the Credit Union.



Stronger Together: Welcoming First State Bank of the Southeast

On July 1, Y-12 Credit Union proudly completed the acquisition of First State Bank of the Southeast (FSB), marking the first expansion beyond Tennessee in our 75-year history. This milestone represents a thoughtful and strategic step forward — uniting two financially strong, community-driven institutions to serve more members across East Tennessee and Southeast Kentucky.

Growing Our Regional Footprint

By joining forces, we've significantly expanded our branch network and strengthened our ability to serve members in both states. This alignment allows us to bring Y-12 Credit Union's member-first culture, strong financial foundation, and innovative services to new communities, while honoring the deep local relationships FSB has built over generations.

Shared Values, Shared Strength

This partnership brings together organizations that share a philosophy of service and a long history of supporting our communities. Our united team reinforces our belief that people — not products — are at the heart of exceptional financial service.

Unlocking New Opportunities for Members

As we complete the integration in early 2026, members will benefit from:

- A larger, more convenient branch network
- Enhanced digital banking tools
- Access to more financial products and services
- An expanded surcharge-free ATM network
- Better rates and lower fees



We are excited to welcome new members, employees, and communities as we move forward together — stronger, more connected, and ready for what's ahead.

Community Support Across Our Region

Levitt AMP Middlesboro Music Series

The Levitt AMP Middlesboro Music Series continued to bring energy and connection to downtown Middlesboro throughout the summer of 2025. The free outdoor concert series offered residents and visitors a vibrant place to gather and enjoy live music, helping strengthen community ties and support local businesses. Y-12 Credit Union was proud to sponsor this series to help expand access to arts, entertainment, and shared community experiences.

London KY Strong

Following the devastating tornado that struck London, Kentucky, Y-12 Credit Union supported relief efforts through donations and community-based assistance. Our teams helped provide essential resources to families and businesses recovering from the storm and worked alongside local partners to meet immediate needs and support long-term rebuilding. This effort reflects our commitment to standing with our communities during their most challenging moments.

Investing in Our New Communities

In 2025, Y-12 Credit Union contributed \$35,000 to organizations and school systems across our FSB legacy communities. Each recipient received a \$5,000 donation in recognition of their ongoing efforts to support children, families, and local needs. Beneficiaries included:

- Middlesboro Independent Schools
- Claiborne County Schools
- Bell County Schools
- Pineville Kiwanis
- Pineville Independent Schools
- Wilderness Road Kiwanis

These organizations were selected for their strong service to their communities and their positive impact on residents across Kentucky and Tennessee.

\$35k contributed to organizations and school systems

Middlesboro Independent Schools – Student Needs Bank

Middlesboro Independent Schools used their donation to support the Student Needs Bank, which provides essential items to students facing financial hardship. The contribution helped the district meet the most urgent needs identified for every student served through the program.

Wilderness Road Kiwanis – Literacy Outreach

Wilderness Road Kiwanis designated its funds for a literacy initiative that brings children's books into high-need schools. Volunteers read to students during school visits and provide each child with a book to take home, helping nurture a love of reading and build personal libraries that many students would not otherwise have.

Additional Legacy Community Partners

Several additional partners received support, including Bell County Schools, Pineville Independent Schools, Claiborne County Schools, and Pineville Kiwanis. While specific project allocations varied, each organization plays an important role in supporting children, families, and community well-being across our legacy markets.

Introducing the Reese Family Scholarship

In 2025, we also introduced the Reese Family Scholarship to honor the legacy of First State Bank of the Southeast and the heritage of the Reese family, who founded the bank in 1899. The scholarship reflects a commitment to educational opportunity and supports young people as they pursue their goals. The first scholarships will be awarded in 2026.

COMMUNITY IMPACT

At Y-12 Credit Union, community is more than a word; it's the foundation of our people helping people philosophy. In 2025, we continued to invest in the people, organizations, and initiatives that make our communities stronger. Through financial education, charitable giving, volunteerism, and strategic partnerships, we worked to create meaningful, lasting impact across the region.

Financial Education & Empowerment

Y-Fi @ Work: Bringing Financial Wellness to the Workplace

Financial stress continues to be one of the leading challenges for employees nationwide. Our Y-Fi @ Work program addresses this need by delivering free, expert-led financial education directly to workplaces.

In 2025, the program continued its rapid growth, adding 14 new company partnerships. It also delivered 45 on-site financial wellness workshops covering topics such as budgeting, credit building, financial stress, and debt management.

By meeting employees in the workplace, Y-Fi @ Work helps improve financial confidence, reduce stress, and support overall workplace well-being.

Youth Financial Literacy: Equipping the Next Generation

We believe financial education should start early. In 2025, we expanded our partnerships with My First Nest Egg, Banzai, KOFE, and Greenlight, offering free financial literacy tools to families, schools, and youth organizations. Our team also delivered financial education to high school students in the classroom, equipping them with real-world skills to navigate life after graduation.



Bill T. Hicks Scholarship Program: Investing in Students

Our commitment to education continued through the Bill T. Hicks Scholarship program, which reached a historic milestone in 2025. The program saw a 35% increase in applicants in 2025, totaling 181, which was the largest number in the scholarship's 14-year history. We are proud to help local students begin their college journey with confidence and financial support.

35% increase with
181 applicants

Community Partnerships & Sponsorships

We were intentional in aligning our sponsorships with initiatives that uplift and strengthen organizations in our communities. In 2025, our sponsorship dollars proudly supported:

- East Tennessee Children's Hospital
- Thompson Cancer Survival Center
- Boys & Girls Clubs of East Tennessee
- Men of Tomorrow
- And many other local nonprofits

These partnerships allowed us to support critical services that improve health, safety, and opportunities for families across the region.

Notable Community Initiatives

Clothe the Kids

Through Tanger Outlet's Clothe the Kids initiative, we helped provide clothing and school essentials to at-risk and underserved children. This ensured they could start the school year with confidence and comfort.

Tiny Home Giveaway

In partnership with WATE 6 On Your Side, we awarded a deserving veteran a fully furnished tiny home along with \$7,500 for related expenses. This initiative provided stability, dignity, and a fresh start for a local hero.

Sleep in Heavenly Peace Bed Build

We partnered with Sleep in Heavenly Peace to host a workshop at our East LaFollette branch. Our team joined volunteers to build more than 40 beds for children who lacked a safe place to sleep. This hands-on project directly benefited children in Campbell County.

Scarboro 85 Monument Project

We proudly supported the Scarboro 85 Monument Project, honoring the 85 African American students who integrated Oak Ridge High School and Robertsville Junior High School in 1955. This initiative ensures their courage and legacy continue to inspire future generations.

Volunteerism

Volunteerism remains a cornerstone of our culture. Our employees are given 16 hours of PTO to volunteer for causes that matter to them. In 2025, Y-12 Credit Union employees dedicated countless hours to local charities, community events, and service projects. Their commitment reflects our belief that meaningful change begins with people who care.

Community Presence & Reach

Our team stayed active and visible throughout the region. By hosting and supporting over 110 community events, we received over 200,000 brand impressions, not to mention the thousands reached through earned media and public relations. These touchpoints helped us stay connected, accessible, and responsive to the needs of our members and community.

A Year of Impact, a Future of Possibility

In 2025, Y-12 Credit Union strengthened its role as a trusted community partner – supporting families, empowering students, and investing in the well-being of the regions we serve. We remain committed to building brighter futures and stronger communities, together.





Y-12 FCU Gives Foundation: Inspiring Hope & Expanding Community Impact

In 2025, the Y-12 FCU Gives Foundation continued to fulfill its mission to reduce childhood hunger by expanding its reach, strengthening community partnerships, and investing in programs that support children and families across East Tennessee and Southeast Kentucky. This was a year defined by growth, renewed energy, and meaningful action.



A Fresh Brand With a Clear Purpose

The Foundation introduced a refreshed brand identity, including a new logo and tagline designed to reflect its mission and inspire hope. The updated visuals are intentionally child-like and active, creating a sense of movement and approachability that echoes the Foundation's hands-on, heart-forward approach to helping children facing food insecurity.

Grants That Make a Measurable Difference

In 2025, the Foundation awarded \$275,000 in grants to 37 organizations working to fight childhood hunger. Since its inception, the Foundation has provided more than \$2.1 million in grant funding to nonprofits focused on meeting essential needs, ensuring that children have consistent access to nutritious food and supportive resources.

This year also marked the Foundation's first-ever Awards Day, a gathering that brought grant recipients together to celebrate their work and build connections. Many partners noted it was the first time they had met fellow hunger-relief leaders in person, and the event inspired new ideas, a shared purpose, and collaboration.

Expanding Food Support Across Two States

The Annual Food Drive saw strong participation across every branch, with members and employees contributing generously to support children facing food insecurity. This year's efforts included one of the largest single food deliveries the Foundation has made in three years. The donation to the Shora Foundation arrived at a critical moment, just as children were preparing for the holiday break. Shora did not have enough food for its backpack distribution program until the Foundation delivered hundreds of pounds of food to fill the gap.

This year marked the first time the Foundation extended direct food support into Kentucky. Donations from Kentucky branches were delivered to God's Pantry Food Bank, which serves Central and Eastern Kentucky through programs such as the BackPack Program, School Pantry Program, and Summer Meals. These initiatives help ensure that children have consistent access to nutritious food, whether they are at school, at home, or on break. The strong turnout from members in Kentucky demonstrated a shared commitment to addressing food insecurity and reflected the Foundation's growing regional reach.

A Successful Golf Tournament Fueled by Community Support

On Sept. 15, the Foundation hosted its sixth annual charity golf tournament at Fox Den Country Club in Knoxville. Thanks to the continued generosity of sponsors, players, and community partners, the event raised more than **\$100,000** to support the fight against childhood hunger.

The tournament is one of the Foundation's most important fundraising events and continued to build strong engagement among supporters. The funds raised will go directly to organizations that provide food assistance to children throughout East Tennessee.

Executive Director Gary Brewster captured the spirit of the day, saying, "Each year, I am encouraged by the generosity of everyone who supports this event. The funds we raise directly impact children who need our help, and it is inspiring to see our community respond with such heart and commitment."

Employee Giving & Support

Employee generosity played a major role in advancing the Foundation's mission this year. Together, employees donated over \$70,000 through PTO donations, dress down days, and payroll deductions.

The annual candy bar sale remained a successful employee-driven fundraiser. Beyond the dollars raised, it strengthened engagement and increased visibility for the Foundation's work among members and branch visitors.

These combined efforts reflect a team that shows up with heart and commitment, helping create meaningful support for children and families across the region.

Looking Ahead

With a refreshed brand, broadened regional presence, and strong community partnerships, the Foundation enters 2026 with momentum and purpose. Its work continues to reflect the belief that every child deserves reliable access to food and support, and that meaningful change happens when communities come together with compassion and determination.

Partner Services That Support Members' Financial Lives

Two ways we've expanded access, convenience, and financial confidence for our members.



In 2025, we expanded our ability to serve members by bringing together Mountain Valley Insurance, acquired as part of the First State Bank of the Southeast transition, and our former 7 Insurance agency. In July, the two organizations were combined and rebranded to form a single, unified insurance agency.

This newly aligned team provides a stronger, more comprehensive resource for both consumer and commercial insurance needs. With expanded expertise and a broader product lineup, Mountain Valley Insurance is better positioned to help members protect what matters most, from their homes and vehicles to their businesses and future goals.



In 2025, Y-12 Investment Partners continued to provide members with high-quality financial guidance and services, including long-term financial planning. The team met with more than 700 members for new services. To strengthen its ability to serve a broader membership base, the team welcomed a new registered representative and program coordinator. These additions will help ensure members in our newly expanded Kentucky markets have access to the same level of personalized service and support that Y-12 Credit Union members value.

Y-12 Investment Partners provides a range of investment and wealth management services, including retirement planning, investment guidance, and insurance planning. With a larger team in place, the group is well-positioned to serve more members and help them make informed, confident financial decisions.

2025 FINANCIALS

Statement of Condition

For the year ended December 31, 2025 (in thousands)

<u>Assets</u>	<u>2024</u>	<u>2025</u>
Loans Net of Allowance for Loan Losses	1,707,640	2,198,686
Cash & Cash Equivalents	35,733	33,970
Investments	306,491	331,026
Fixed Assets	29,211	36,732
Other Assets	77,040	133,851
Total Assets	2,156,115	2,734,265

<u>Liabilities & Equity</u>	<u>2024</u>	<u>2025</u>
Accounts Payable & Other Liabilities	35,253	43,898
Notes Payable	170,379	300,000
Member Shares	1,688,530	2,054,313
Non Member Shares	30,919	68,849
Total Liabilities	1,925,081	2,467,060
Regular Reserves	9,050	9,050
Undivided Earnings	221,984	258,155
Total Equity	231,034	267,205
Total Liabilities & Equity	2,156,115	2,734,265

Statement of Income & Expense

For the year ended December 31, 2025 (in thousands)

<u>Income</u>	<u>2024</u>	<u>2025</u>
Loan Interest	97,308	122,714
Investment Interest	11,204	13,296
Fee & Other Income	28,468	33,807
Total Income	136,980	169,817

<u>Expenses & Cost of Funds</u>	<u>2024</u>	<u>2025</u>
Operating Expenses (Including PLL)	77,444	98,179
Cost of Funds	36,387	47,021
Total Expenses & Cost of Funds	113,831	145,200
Other Non-Operating Income & Expenses (Inc)	25	144
Net Income	23,124	24,473

Total Assets

2025	\$2.73 B
2024	\$2.16 B
2023	\$1.96 B
2022	\$1.87 B
2021	\$1.60 B
2020	\$1.41 B

Total Shares

2025	\$2.12 B
2024	\$1.72 B
2023	\$1.57 B
2022	\$1.48 B
2021	\$1.37 B
2020	\$1.21 B

Total Gross Loans

2025	\$2.23 B
2024	\$1.72 B
2023	\$1.64 B
2022	\$1.56 B
2021	\$1.28 B
2020	\$1.14 B

Total Net Worth

2025	\$271 M
2024	\$247 M
2023	\$224 M
2022	\$204 M
2021	\$177 M
2020	\$151 M

FINANCIAL OFFICER'S REPORT

In 2025, Y-12 Credit Union experienced a year of transformational growth, operational progress, and steady financial performance. Even in a period of broader economic uncertainty, the Credit Union remained committed to disciplined financial management while continuing to deliver long-term value to members. By year-end, our net worth ratio was 9.91%, reflecting both solid capital strength and the impact of onboarding assets from our expansion into Southeast Kentucky.

A major milestone this year was the successful acquisition of First State Bank of the Southeast (FSB). The Kentucky-based institution brought more than \$400 million in assets, a strong reputation for community service, and a high-quality portfolio of loans and deposits. This strategic expansion broadened our regional reach and strengthened our balance sheet in meaningful ways. The addition of FSB assets contributed to growth in loans, member shares, and total assets, positioning Y-12 Credit Union for continued success as we prepare for full system integration in 2026.

We ended 2025 with \$2.73 billion in total assets, a 26.81% increase from the previous year and one of the largest growth periods in our history. Net income remained strong at \$24.47 million, supported by stable margins, increased earning asset yields, and disciplined expense management. These results produced a healthy 1.00% return on assets.

Lending performance was a highlight of 2025. Gross loans reached \$2.23 billion, driven by strong indirect lending production and the incorporation of FSB's loan portfolio.

This resulted in 29.10% annual loan growth. Asset quality remained well controlled, with a 0.48% delinquency ratio and 0.54% net charge-off ratio, indicating stability as the portfolio expanded.

Member confidence remained strong throughout the year. Total member shares grew to \$2.05 billion, a 21.66% increase that supported liquidity and loan demand. Deposits remained well diversified across share certificates, regular shares, share drafts, and money market accounts. We also returned \$34 million in dividends to members, reinforcing our commitment to strong member value.

As we enter 2026, Y-12 Credit Union is well positioned for continued progress. The successful onboarding of FSB assets, combined with a strong capital base, prudent financial oversight, and the dedication of our employees, sets the stage for steady, member-focused growth. Our priority remains delivering long-term financial strength and exceptional value to the members we serve.

David Liles

David Liles
Financial Officer

WHY STATEMENT

We are here to transform the lives of our members.

CORE VALUES

Integrity. We do the right thing.

Communication. We maintain open doors and open minds.

Fun. We are kind, have fun, and spread joy.

Continuous Improvement. We are committed to getting better every day.

Collaboration. We work together to achieve more.



y12fcu.org



Federally insured by NCUA

