2021 ANNUAL REPORT

FOUNDERS FEDERAL CREDIT UNION

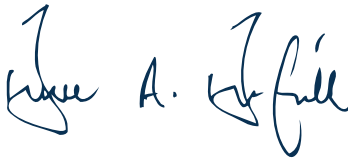
FROM THE PRESIDENT

As we navigated through a pandemic that was certainly nothing we could have anticipated, we all saw different businesses affected in different ways. Some business models were forever changed …. some were unable to survive.

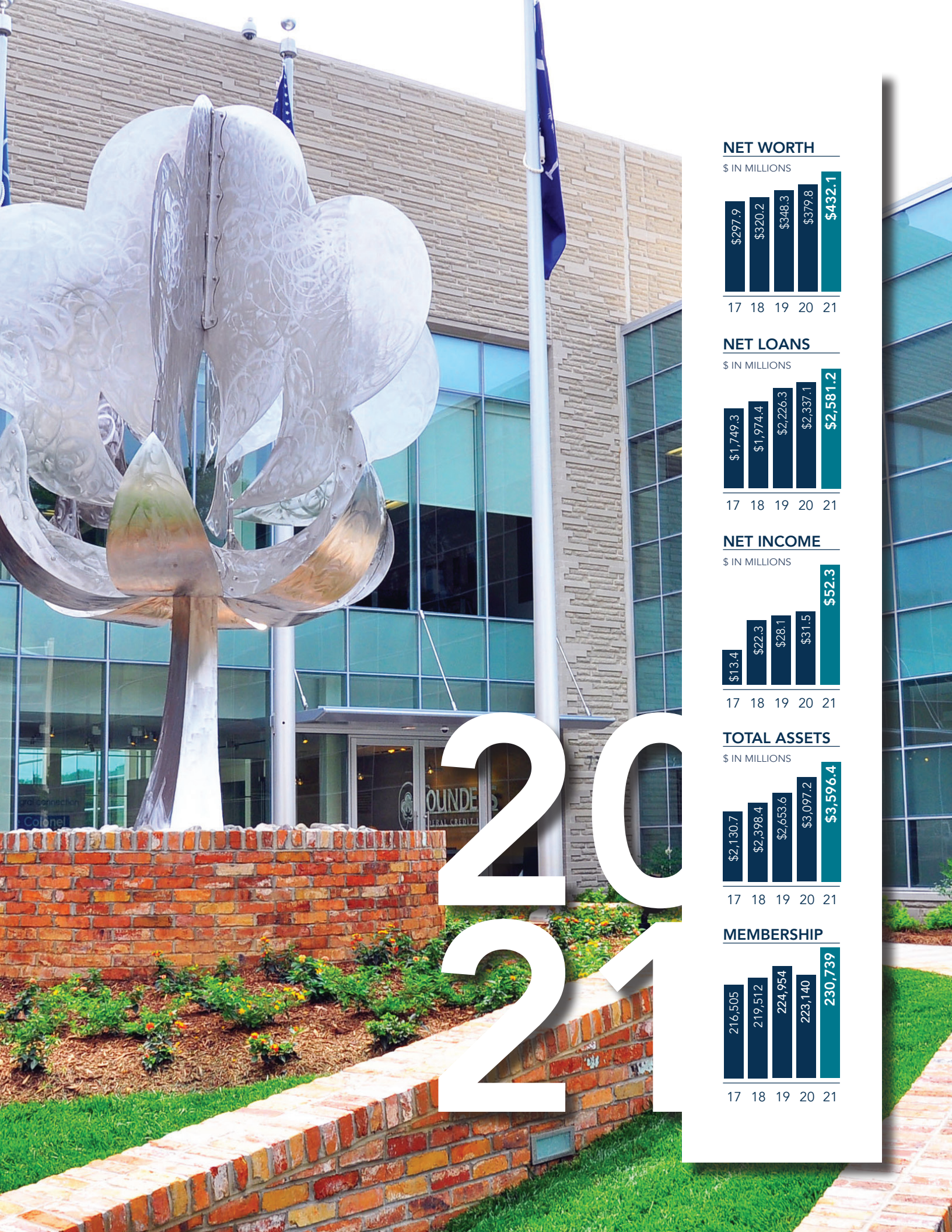
At Founders, we were fortunate to have a different experience. Not only did your credit union survive, we thrived … putting forth our best year ever in 2021 with a record net income of $52.3 million and total assets of almost $3.6 billion. I am convinced I know the answer to why we managed to remain at the top of our field while some other organizations were struggling to maneuver. In fact, it's simple. You see, while we did make some modifications to enhance the safety and well-being of our members and employees, we never subscribed to the "new normal."

Instead, we stayed true to our roots and OUR normal. We remembered what is important – and that is to serve our members. Our employees continued to come in every day with a unique purpose – to make a difference in the lives of our members. Because, you see, your lives didn't pause in the pandemic. You still had bills and obligations and families to support. You kept moving forward and so did we.

Your board of directors and management team at Founders – along with all of our employees - remained driven to put our members first and that is why 2021 was a year of significant advances for your credit union. We are looking forward to the opportunities coming in 2022 for our members. And, you know you can Relax … because you're with Founders.



Bruce A. Brumfield
PRESIDENT AND CHIEF EXECUTIVE OFFICER



2021

NET WORTH

$ IN MILLIONS

NET LOANS

$ IN MILLIONS

NET INCOME

$ IN MILLIONS

TOTAL ASSETS

$ IN MILLIONS

MEMBERSHIP

Founders Federal Credit Union finished 2021 with another year of records. We had a net loan growth of $244.2 million, bringing us to **$3.6 billion in assets**. We also helped our over **230,000 members** achieve their financial goals, work toward their dreams and build a life for themselves and their families.

We conduct a membership survey every other year to ensure we are creating an exceptional member experience. We are pleased to report that, in 2021, 97.5% of the responding households said they are very satisfied or satisfied with Founders. **Our employees ranked high in accuracy, friendliness, politeness, knowledge, understanding and efficiency.**

Founders gave back over **$5 Million to our members** through our Loyalty Select suite of products rewarding those who utilize more services with deposits in our highest earning savings account.

We introduced a 30-Year Fixed Mortgage in January of 2021 and **grew $46.8 million** in this product, as well as introduced a Mortgage Bonus.

A new Credit Builder Loan was introduced to assist members without credit allowing them to build credit while saving money at the same time. And, our Auto Loan promotion to "beat your rate by 1%, no payment for 90 days" grew our loan portfolio **over $244 million** in 2021.

Founders also celebrated the opening of a **new office** in Union and a **new office** in our Columbia market on Columbiana Road. We also began construction on a second Indian Land office that just opened last week, and purchased land in Lexington and Simpsonville for future locations.

2021

It was not official until January 2022, but we spent the better part of 2021 preparing to **welcome ArrowPointe Federal Credit Union's members and employees to Founders**. This successful merger brought us an additional five offices in York County and a long-awaited office in Great Falls.

While we still find opportunity in our physical office locations, we also are at the **forefront of digital channel offerings**. In 2021, we began offering external transfers in our online platform, Credit Expert – allowing you to monitor your credit score with tips and service offerings to improve it, and Mobile Quick Links to get you quickly to the most used services on the Founders App.

127,000 active users on Founders Online logged in 44 million times in 2021. And, our Contact Center answered almost **578,000 calls**.

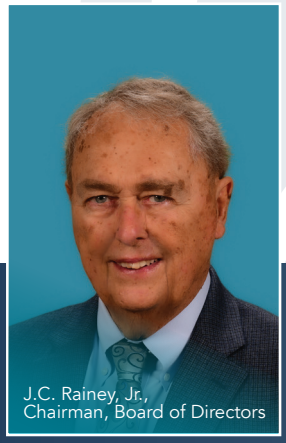
Whether you choose to conduct business in an office, online or a combination of both, you can be assured your **account security is always at the center of our operation**. In 2021, we invested in Automated Analytics, Machine Learning, and Forensic Tools to detect and diagnose full-content-based analytics on all protected data to better identify and recover from cyberattacks.

Our card services team, along with the management team and board of directors, voted to move our Visa debit and credit card program to **Mastercard**. Mastercard gives us more personalized service that we can pass on to our members, as well as enhanced security and benefits. We are excited for these new Priceless® Possibilities.

Founders is going strong with a commitment to doing the right thing and helping our members achieve their financial goals. Our employees are committed to the communities we serve, **donating countless hours** volunteering with hundreds of organizations and throughout our school systems. Giving back is a cornerstone of who Founders is and, in 2021, we **donated almost $3.1 million to our communities** to improve the quality of life for all people.

BOARD OF DIRECTORS


Bruce A. Brumfield,
President & CEO


J.C. Rainey, Jr.,
Chairman, Board of Directors


Roy A. Hunt,
Vice Chair, Board of Directors


Joseph C. Keenan, Ph.D,
Secretary, Board of Directors


Allen Blackmon,
Board of Directors

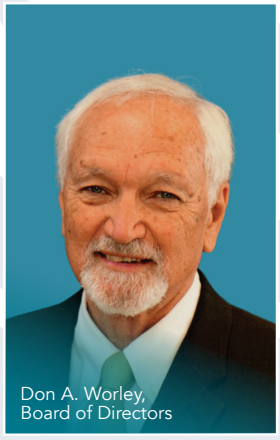

Harlean V. Carter,
Board of Directors


Amy B. Faulkenberry,
Board of Directors


Ron W. Gray, DDS,
Board of Directors


Charles D. Waddell,
Board of Directors


S. Marvin Waldrep,
Board of Directors


Don A. Worley,
Board of Directors

EXECUTIVE MANAGEMENT


Bruce A. Brumfield,
President & CEO


Keith Wilson,
Executive Vice President


Elizabeth Bagwell,
Chief Audit Officer


Bob Bender,
Chief Technology Officer


Michelle Bragg,
Chief Human Resource Officer


Tony Gilreath,
Chief Financial Officer


Larry Higgins,
Chief Legal Counsel


Joe McCain,
Chief Procurement Officer


Nicki Nash,
Chief Marketing Officer


Jennifer Parker,
Chief Strategy &
Quality Assurance Officer


Wylie Wood,
Chief Recovery Officer

CONSOLIDATED FINANCIAL STATEMENTS

(CONDENSED)

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
ASSETS

	As of December 31, 2021	2020
	(dollars in thousands)	
ASSETS:		
Cash and Cash Equivalents	$686,437	$508,782
Securities and Other Investments	152,262	93,494
Loans, Net of Allowance for Loan Losses of $22,812 and $25,645 for 2021 and 2020, respectively	2,581,287	2,337,089
Property and Equipment	83,798	80,872
Other Assets	92,625	76,962
Total Assets	$3,596,409	$3,097,199

LIABILITIES AND MEMBERS' EQUITY

	As of December 31, 2021	2020
	(dollars in thousands)	
LIABILITIES:		
Members' Share and Savings Accounts	$3,046,599	$2,582,757
Borrowings and Notes Payable	70,100	100,150
Other Liabilities	47,860	32,687
MEMBERS' EQUITY	431,850	381,605
Total Liabilities and Members' Equity	$3,596,409	$3,097,199

CONSOLIDATED STATEMENTS OF INCOME

	For the years ended December 31, 2021	2020
	(dollars in thousands)	
Interest Income	$139,025	$134,090
Interest Expense	30,058	30,535
Net Interest Income	108,967	103,555
Provision for Loan Losses	5,113	15,074
Net Interest Income After Provision for Loan Losses	103,854	88,481
Non-Interest Income	68,240	55,573
Non-Interest Expense	119,761	112,529
Net Income	$52,333	$31,525

To request a full version of our Consolidated Financial Statements, please call us at 1-800-845-1614 or send a message through our Contact Us form located on our website at foundersfcu.com.

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is appointed by the Board of Directors in accordance with the Federal Credit Union Act. Its primary responsibilities to the membership are to ensure the effectiveness of the system of Internal Control, adherence to established policies and procedures, and the overall safety and soundness of Founders Federal Credit Union.

The Internal Audit Department reviews credit union operations and annually updates a formalized risk assessment of all products and services. In addition, numerous audits are conducted to determine the effectiveness and efficiency of operations, reliability of financial reporting and compliance with respective policies and procedures. Audit findings, recommendations and management's responses to audit reports are presented to the Supervisory Committee and management.

To accomplish our annual goals, the Supervisory Committee engages an independent public accounting firm to audit the consolidated financial statements as well as management practices and procedures to ensure they are sufficient to safeguard members' assets. To assist in fulfilling our responsibilities, the Supervisory Committee retained the services of the certified public accounting firm of Doeren Mayhew, CPAs and Advisors to perform an audit in accordance with auditing standards generally accepted in the United States of America and to express an opinion on the fairness of the consolidated financial statements. Their audit report, which contained an unmodified opinion dated March 29, 2022, confirmed the credit union's consolidated financial statements for 2021 and 2020 were materially correct and presented in conformity with accounting principles generally accepted in the United States of America.

The 2021 and 2020 audited consolidated financial statements of Founders Federal Credit Union and related independent auditors' report can be obtained by sending a message through our Contact Us form online at foundersfcu.com or by contacting us at 1-800-845-1614. Based upon the report of the certified public accounting firm, and a thorough review of the credit union's operations, we believe Founders Federal Credit Union is well managed and financially sound.

Roy Hunt, Chairman

Jason Ackerman | Sherri Gregory | Kim Skinner | Kofi Wright



FOUNDERSFCU.COM • 1-800-845-1614
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