FOUNDERS
FEDERAL CREDIT UNION

ANNUAL REPORT

2022

FROM THE PRESIDENT



It is always a pleasure to offer a credit union update to our membership. And, this year, it is especially one I am happy to report – and you, our members, will be happy to hear! Founders Federal Credit Union continues to exceed performance expectations and remains a strong, highly competitive and efficient financial institution. We ended the year with a record net income of $54.3 million and over $4 billion in assets.

Our 802 team members remained committed to delivering exceptional service to our 251,066 members, always putting you and your family's financial needs first. And, to better serve you, our credit union has and continues to grow.

In 2022, we completed construction of our new Promenade location in Indian Land, and our long-awaited Simpsonville location opened in February of this year. In April, we opened an office in Lexington as well as a small office on the campus of Newberry College. And, I can tell you, we are showing no signs of slowing down. Later this year, we will be opening in Monroe, NC and starting a location in Boiling Springs, SC.

In January of 2022, we also successfully merged ArrowPointe Federal Credit Union, seamlessly welcoming their 16,000-plus members and 55 employees across five locations, which have been rebranded and upgraded to the newest technology available.

Throughout the year, we also expanded our product offerings, and they were well received by our entire membership. This allowed for a $403.4 million growth in shares and $684 million in loan growth.

Not only did we enjoy tremendous success, but we were able to share that success with you, our members. Our Board of Directors voted to return an unprecedented Super Loyalty Bonus of $20 million to our membership – an amount so phenomenal, we decided to share it in a big way, with a commercial airing in our local markets during the big game, Super Bowl LVII.

As we move forward – already well into this new year – we remain committed to putting our members first and doing the right things for the right reasons. We will continue to offer you exceptional financial products and unparalleled technology and delivery channels – all combined with the outstanding member service you have come to expect.

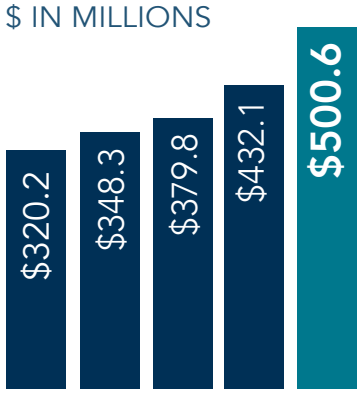
As always, we appreciate your trust in Founders. It is our privilege to be your credit union. Relax ... you're with Founders.

Bruce A. Brumfield
PRESIDENT AND CHIEF EXECUTIVE OFFICER

HIGHLIGHTS

NET WORTH

$ IN MILLIONS



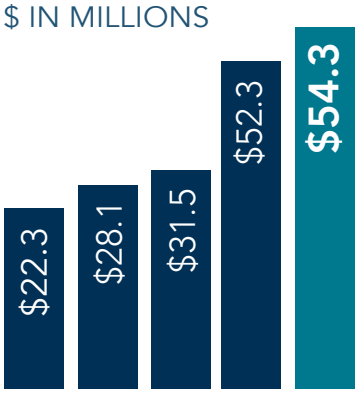
NET LOANS

$ IN MILLIONS



NET INCOME

$ IN MILLIONS

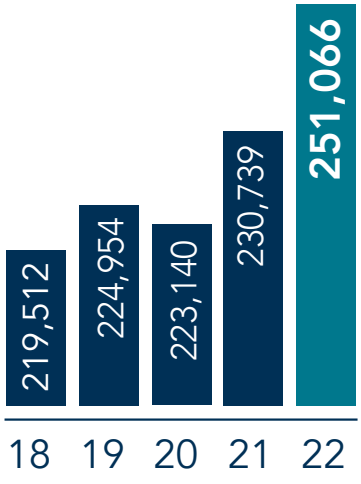


TOTAL ASSETS

$ IN MILLIONS



MEMBERSHIP





Bruce A. Brumfield
President & CEO

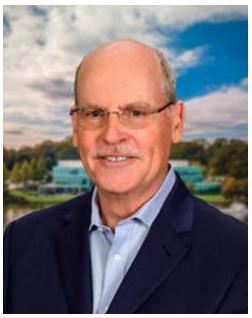
Keith Wilson
Executive
Vice President





Elizabeth Bagwell
Chief Audit Officer

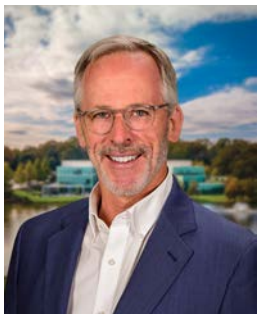
Bob Bender
Chief Information
Officer





Michelle Bragg
Chief Human
Resources Officer

Tony Gilreath
Chief Financial Officer





Larry Higgins
Chief Legal Counsel

Joe McCain
Chief Administrative
Officer





Nicki Nash
Chief Marketing
Officer

Jennifer Parker
Chief Strategy &
Quality Assurance
Officer





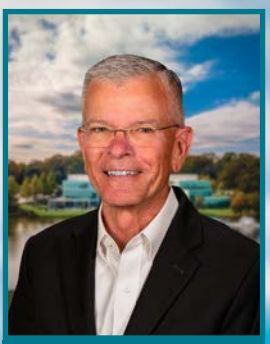
Wylie Wood
Chief Recovery
Officer

EXECUTIVE MANAGEMENT

BOARD OF DIRECTORS



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



Tony Bell
Board of Directors



Allen Blackmon
Board of Directors



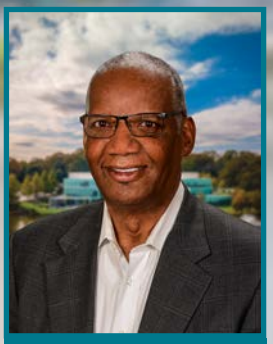
Harlean V. Carter
Board of Directors



Amy B. Faulkenberry
Board of Directors



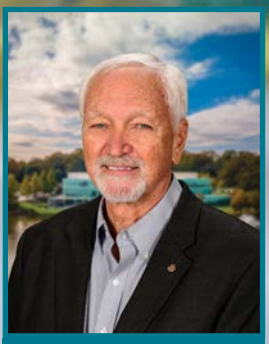
Ron W. Gray, DDS
Board of Directors



Charles D. Waddell
Board of Directors



S. Marvin Waldrep
Board of Directors



Don A. Worley
Board of Directors

FOUNDERS FEDERAL CREDIT UNION

Founders Federal Credit Union had an incredible 2022. We grew to more than $4 billion in total assets in 2022 from $3.6 billion in 2021. This growth means we were able to help our 251,000-plus members achieve their financial goals and work toward achieving their dreams for themselves and their families.

We continue to give back to our members through our Loyalty Select products. In 2022, a total of $23 million was deposited into Loyalty Select accounts. Across 134,764 Loyalty Select accounts, we ended the year with a total balance of $52 million. And that was before our $20 million Super Loyalty Bonus payout in February 2023.

We introduced a 15-month certificate/individual retirement account (IRA) for three weeks in October, 2022 and saw an incredible response. During this period, 2,792 accounts were opened totaling $177.3 million. Founders also grew $403.4 million in total shares.

We successfully converted from our Visa Debit and Credit Card program to Mastercard. In doing so, we now offer our members more personalized services, enhanced security and other important benefits. In 2022, we had 158,018 active debit cards make more than $37 million in signature transactions and $22.5 million in PIN transactions.

In 2022, our consumer loans grew by more than $285 million. More than 900 loans benefited nearly $3 million in Payment Protection Claims. We also successfully implemented Founders Express Loans, which provide quick access to funds for short term borrowing needs, fast cash or emergencies.

Technology continues to be a focus as we serve our members today and prepare to serve them tomorrow and into the future. We continue to make upgrades to our core environment for the credit union to sustain future growth, technology and security requirements. We have also taken our technological expertise to others in the financial institution industry through Founders Innovative Technology (FIT). FIT also provides reasonably priced and much needed information technology services and solutions to the business communities we serve as an addition resource to give back in our communities.

Founders Online continues to grow. In 2022, users grew by 17% for a total of 26,444 new users. Our mobile deposit users also grew by nearly 10% for a total of 12,380 new users. Mobile deposits totaled more than $13.5 million in 2022, representing a $2 million growth over 2021.

Founders Investment Services also reported a record year, growing gross income by 4% year-over-year. Our Financial Advisors brought in approximately $44 million in net new money.

As we advance in our market areas, we are committed to adding new offices and reducing wait times for our members. We celebrated the opening of the new Promenade office in Indian Land in May of 2022. And we are also very excited to have just opened two new offices – Lexington and Newberry College – in the first few months of 2023. We also continued our office renovation plan, updating the interior finishes of our Pageland office. In Monroe, NC, we purchased a building and are now renovating it.

In January 2022, a merger with ArrowPointe Federal Credit Union was completed bringing us an additional five offices in York County along with a long-awaited office in Great Falls. Over the course of the year, we rebranded these locations and replaced all ATMs and equipment with the newest equipment available.

Founders continues to be among the best places to work. In 2022, we implemented a competitive paid time off (PTO) program in tandem with a Founders-paid short-term disability benefit for employees. We also created a Medical Emergency Leave Sharing donation program for employees. We conducted implicit bias, diversity, and cultural competency educational sessions with managers throughout the organization. We added several additional offerings to our employee wellness program that focuses on our employees' financial, physical, spiritual and mental health. And we reestablished our Emerging Leader Training Program to develop high-potential internal employees for future management roles.

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 2022 we donated almost $3.1 million to our communities to improve the quality of life for all people.

CONSOLIDATED FINANCIAL STATEMENTS

(CONDENSED)

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

ASSETS

	As of December 31, 2022	2021
	(dollars in thousands)	
ASSETS:		
Cash and Cash Equivalents	$335,200	$686,437
Securities and Other Investments	207,142	152,263
Loans, Net of Allowance for Loan Losses of $24,359 and $22,812 for 2022 and 2021, respectively	3,265,244	2,581,287
Property and Equipment	102,268	83,798
Other Assets	112,352	92,624
Total Assets	$4,022,206	$3,596,409

LIABILITIES AND MEMBERS' EQUITY

	As of December 31, 2022	2021
	(dollars in thousands)	
LIABILITIES:		
Members' Share and Savings Accounts	$3,450,063	$3,046,599
Borrowings and Notes Payable	-	70,000
Other Liabilities	86,953	47,960
MEMBERS' EQUITY	485,190	431,850
Total Liabilities and Members' Equity	$4,022,206	$3,596,409

CONSOLIDATED STATEMENTS OF INCOME

	For the years ended December 31, 2022	2021
	(dollars in thousands)	
Interest Income	$179,522	$139,025
Interest Expense	50,054	30,058
Net Interest Income	129,468	108,967
Provision for Loan Losses	15,361	5,113
Net Interest Income After Provision for Loan Losses	114,107	103,854
Non-Interest Income	83,971	68,240
Non-Interest Expense	143,743	119,761
Net Income	$54,335	$52,333

To request a full version of our Consolidated Financial Statements, please call us at 800-845-1614 or send a message through our Contact Us form located 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 22, 2023, confirmed the credit union's consolidated financial statements for 2022 and 2021 were materially correct and presented in conformity with accounting principles generally accepted in the United States of America.

The 2022 and 2021 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 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.

KOFI WRIGHT, CHAIRMAN

JASON ACKERMAN | SCOTT COCHRAN | SHERRI GREGORY | KIM SKINNER



FOUNDERSFCU.COM • 800-845-1614
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