

FOUNDERS
FEDERAL CREDIT UNION

ANNUAL REPORT

FROM THE **PRESIDENT** AND **CEO**



It brings me immense pleasure to provide our membership with an update on our credit union. This year's report is particularly gratifying to share – and I'm confident that our members will share in this sentiment! Founders Federal Credit Union continues to outperform expectations, solidifying its status as a resilient, highly competitive and exceptionally efficient financial institution.

Our dedicated group of 833 team members remains steadfast in our mission to provide outstanding service to our 262,059 members, prioritizing the financial well-being of you and your family above all else. In our ongoing efforts to enhance your experience we have been blessed with growth.

In 2023, we celebrated the opening of two new office locations in Newberry as well as new office locations in Simpsonville, Lexington and Monroe. We ended the year with $284.5 million in share growth, $324.5 million in loan growth, record net income of $59.0 million, and over $4.5 billion in assets.

Not only did we enjoy tremendous success, but we were able to share that success with you, our members. In a commercial airing in our local markets during Super Bowl LVII we announced a Super Loyalty Bonus of $20 million to our membership. Then, in December we gave back another $10 million for a total of $30 million going back to our members in Loyalty Bonuses in 2023 alone.

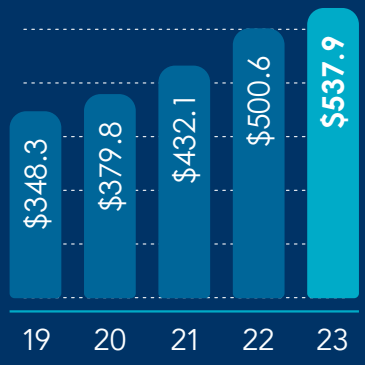
As we progress further into this new year, our dedication to prioritizing our members and acting with integrity remains steadfast. We pledge to uphold our commitment by consistently providing you with outstanding financial products and secure, cutting-edge technology. And, we will continue to deliver it all with the unmatched service excellence – just as you've always counted on from us.

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

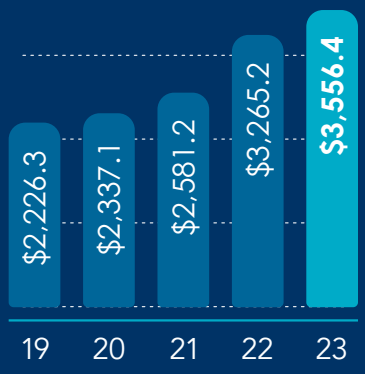
Bruce A. Brumfield
PRESIDENT AND CHIEF EXECUTIVE OFFICER

HIGHLIGHTS

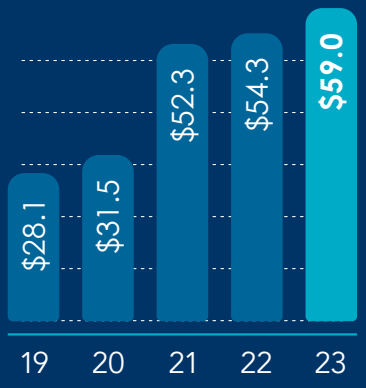
Net Worth
$ IN MILLIONS



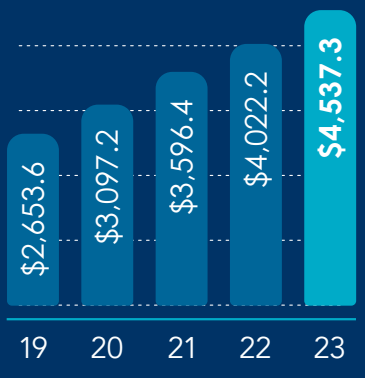
Net Loans
$ IN MILLIONS



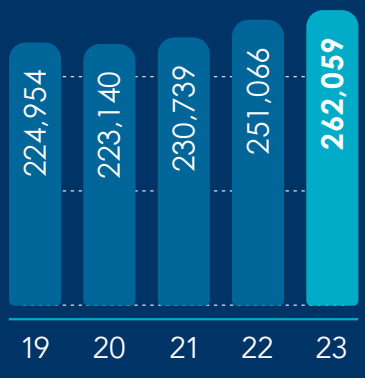
Net Income
$ IN MILLIONS



Total Assets
$ IN MILLIONS



Membership



EXECUTIVE MANAGEMENT



Bruce A. Brumfield
President & CEO

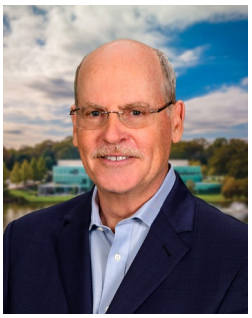
Keith Wilson
Executive
Vice President





Elizabeth Bagwell
Chief Audit Officer

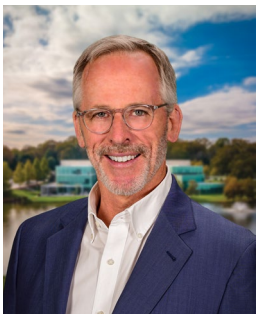
Bob Bender
Chief Information
Officer





Michelle Bragg
Chief Human
Resources Officer

Tony Gilreath
Chief Financial Officer

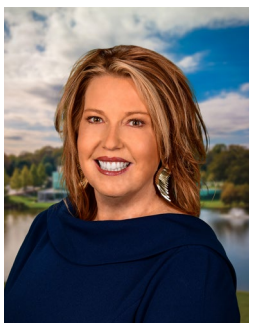




Larry Higgins
Chief Legal Counsel

Joe McCain
Chief Administrative
Officer





Nicki Nash
Chief Marketing
Officer

Jennifer Parker
Chief Strategy &
Quality Assurance
Officer





Wylie Wood
Chief Recovery
Officer

BOARD OF DIRECTORS



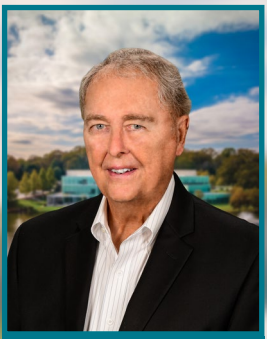
Roy A. Hunt
Chairman,
Board of Directors



Joseph C. Keenan, Ph.D
Vice Chair,
Board of Directors



Ron W. Gray, DDS
Secretary,
Board of Directors



J.C. Rainey, Jr.
Board of Directors



Tony Bell
Board of Directors



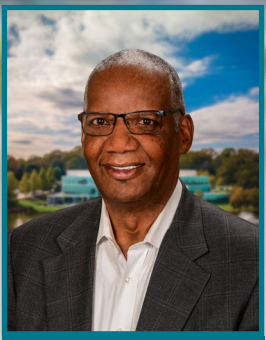
Allen Blackmon
Board of Directors



Harlean V. Carter
Board of Directors



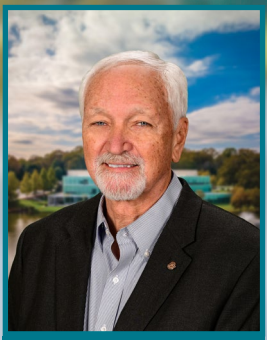
Amy B. Faulkenberry
Board of Directors



Charles D. Waddell
Board of Directors



S. Marvin Waldrep
Board of Directors



Don A. Worley
Board of Directors

FOUNDERS FEDERAL CREDIT UNION

2023 was an incredible year in many ways for Founders Federal Credit Union. We grew to more than $4.5 billion in total assets in 2023 from $4 billion in 2022.

But, to us, it's not about the numbers. To us, this growth means we are more capable than ever of helping our 262,059 members enrich their financial futures. It means creating even more opportunities for them to be successful and to be able to Relax ... in the knowledge they are financially secure.

And, because of our growth and strength, we are able to continue giving back to our members in big ways. Ways that truly speak volumes about what their loyalty means to us at Founders. In fact, in 2023 alone, we gave back a total of $30 million to qualifying members through a $20 million Super Loyalty Bonus payout in February 2023, and, again in December 2023, through a $10 million Loyalty Bonus.

We know our members require a full service financial institution that can stay ahead of product and technology demands of our fast paced world.

Founders continues to be innovative in our product offerings and strives to offer financial services combined with efficient and superior member service.

In 2023, our members took advantage of many of these services as we took our loan and deposit products to another level. In doing so, Founders grew consumer loans by $175.3 million. We did this while featuring many Certificates with phenomenal rates, growing our Certificate portfolio substantially and our overall shares by $284.5 million.

Our Insurance Services remains one of our most popular services among members as they work to find the best insurance available for protecting all that matters most to them. More than 53,000 of our members now take advantage of utilizing our agents to assist them. Another division of our credit union that continues to be well sought after among members is Founders Wealth Management which brought in a record $63 Million in new money while promoting its mission to help members plan for long-term financial goals.

This year also brought growth into new market areas. When so many businesses are attempting to move to virtual communication and online operations, we still realize the importance of having a real presence in our communities. We celebrated this commitment in 2023 with the opening of our new Simpsonville office in February and our Lexington office in April. Then, again we expanded our market area by purchasing and renovating a building in Monroe, NC, which we opened to much excitement in June. And, in October, we opened our Newberry Main office after Newberry College welcomed us onto their campus with a well-received location earlier in the year.

2023

Of course as we expand into new markets, we remain committed to all of our communities who have made Founders what we are today. This is one of the reasons our team is deeply invested in supporting people, organizations and school systems everywhere we go. We encourage and engage each of our employees to donate countless hours to nonprofit organizations and school systems. We also offer free financial literacy programming that is well received throughout our market areas enhancing the well being of our communities and, in many cases, uplifting individuals to financial freedom.

In addition to promoting educational programming and volunteerism, Founders Federal Credit Union as a whole contributed more than $4.5 million in sponsorships, community improvements and donations throughout our market areas over the year.

In 2023, more than ever, we pursued better, faster and cutting-edge technology with the demand that it be more secure than ever. We simply will not accept anything less for our members and the financial data they entrust to us.

We consistently implement and test improved automation and delivery systems. Our Information Technology and Digital teams are on the forefront of testing our systems and ensuring they are secure even against the most savvy would-be hackers or scammers. We also expanded our digital risk protection for members and implemented more fraud detection and defense strategies while boosting our internal and external fraud communication.

While behind the scenes technology is important, we also know our members care most about their experience within our online banking channels. That's why these were revamped for a more seamless experience with each of our members in mind.

We clearly have much to be proud of at Founders. However, none of these successes would be possible without the dynamic employees that make it all happen each and every day. It is important to us that we remain among the best places to work so we can attract and keep the very best team members. In 2023, leadership and training initiatives were conducted within our organization in an effort to continue developing our talent for future management roles within Founders. We also enhanced insurance and other employee benefits to remain competitive in our hiring markets.

However, the truth is, remaining competitive in our markets really is not our end goal when it comes to attracting quality employees or delivering the best products and services. As we report on the achievements of 2023, we are already well into 2024 and working harder than ever to not only be competitive, but exceed the competition and make it easier than ever for our members to choose Founders.

CONSOLIDATED FINANCIAL STATEMENTS

(condensed; dollars in thousands)

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

ASSETS

	As of December 31, 2023	2022
ASSETS:		
Cash and Cash Equivalents	$537,141	$335,200
Securities and Other Investments	194,154	207,142
Loans to Members, Net of Allowance for Credit Losses of $57,726 and $24,359 for 2023 and 2022, respectively	3,556,414	3,265,244
Property and Equipment	108,918	102,268
Other Assets	140,636	112,352
Total Assets	$4,537,263	$4,022,206

LIABILITIES AND MEMBERS' EQUITY

	As of December 31, 2023	2022
LIABILITIES:		
Members' Shares and Savings Accounts	$3,734,575	$3,450,063
Borrowings	190,000	-
Other Liabilities	87,578	86,953
MEMBERS' EQUITY	525,110	485,190
Total Liabilities and Members' Equity	$4,537,263	$4,022,206

CONSOLIDATED STATEMENTS OF INCOME

	For the years ended December 31, 2023	2022
Interest Income	$242,616	$179,522
Interest Expense	76,201	50,054
Net Interest Income	166,415	129,468
Provision for Loan Losses	40,113	15,361
Net Interest Income after Provision for Credit Losses	126,302	114,107
Non-Interest Income	86,486	83,971
Non-Interest Expense	153,803	143,743
Net Income	$58,985	$54,335

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 21, 2024, confirmed the credit union's consolidated financial statements for 2023 and 2022 were materially correct and presented in conformity with accounting principles generally accepted in the United States of America.

The 2023 and 2022 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

FEDERALLY INSURED BY NCUA.