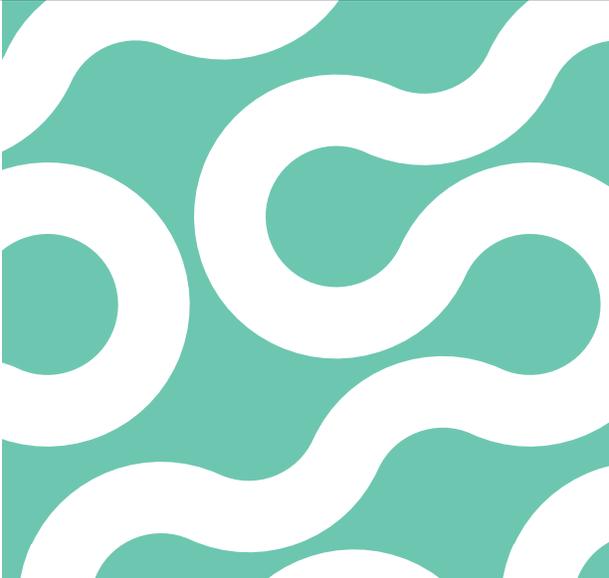


2021

Fortera Annual Report





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CHAIRMAN & CEO'S REPORT

As we continue to navigate an ever-changing and challenging world together, we are proud to report that 2021 was another very successful year for Fortera Credit Union. Thanks to the support from our incredible members and staff, we continue to grow while achieving our mission of improving the financial well-being of our member-owners, supporting the communities we serve and creating opportunities for growth and development of our wonderful staff.

Our commitment to our members, staff and communities we serve remains front and center to how we run this business. The ultimate goal is to create positive impact on the lives of all that come into contact with Fortera Credit Union. We live and breathe the mission of the Credit Union movement of "people helping people."

Throughout 2021, we took steps to prepare this credit union for the future. A change in our Charter allows us to broaden our reach outside our original five-county service area and serve even more people in need. As we moved forward with the completion of our merger with Life Credit Union in Nashville, this partnership opens new doors to a dynamic market and niche for us - healthcare employees. New products and service delivery tools, some visible and some not, continue as we make it Better, Simpler and Faster to do business with Fortera.

While we are excited by the new markets that have opened up to us, we continue to deliver world-class service to all of our current members in the markets we serve. We continue to support our military members, veterans and their families by partnering with several of the local support organizations - MWR, AER, AUSA and others to serve the unique needs of the military families.

Through our Fortera Foundation, we also supply assistance for single parents to continue and finish their college educations, helping to end the cycle of poverty. We make contributions and investments in multiple local organizations that help and support those

in need. Whether through United Way or any of the multiple organizations that Fortera supports, we know that our support makes the community stronger, which makes the credit union stronger.

2021 was the year of the Great Resignation as people left the workplace and organizations struggled to find and retain qualified staff. Fortera was not immune to this as we faced the challenge to keep our branches and Contact Center staffed. Our service delivery channels continue to evolve with the financial services industry. Branches are incredibly important to our members; however, we need to be looking at new branch locations, smaller branch footprints and a fresh perspective on how we can best serve our members in the years to come. The world of banking is evolving at a break-neck pace. New players are entering the financial landscape and we must view our business model through a fresh pair of eyes.

We know that the financial services world is changing rapidly. In the past 67 years, Fortera has weathered many economic cycles that included recessions, rising interest rate environments, inflation, housing industry changes, and fluctuating employment rates. Through it all, we have continued to offer valuable financial services and a great member experience. There are many ways to measure the performance of a financial institution. Industry analysts rely on quantitative signs of strength, security, and growth. Others look at performance metrics and ratios that measure net income, capital, and market share.

While all of these measurements are important, we think that the most valuable measurement is how we serve our members, which is why our primary focus remains unwavering - to meet your needs and to be there when you need us. Our organization's ongoing growth and success depends on us continuing to improve your member experience and remaining vigilant about meeting your needs. It is a responsibility that we take seriously. For over 64 years, we have placed our members at the heart of everything we do. This is, and always will be, your credit union. It is an honor and privilege to serve you, and to be a member of a team focused on helping you meet your financial goals. We look forward to serving you in 2022 and well into the future.

RICK HACKWELL, BOARD CHAIRMAN, FORTERA CREDIT UNION
TOM KANE, CEO, FORTERA CREDIT UNION

FORTERA CREDIT UNION SUPERVISORY COMMITTEE 2021 ANNUAL REPORT

Fellow Fortera Members:

My name is Mark Boone and I am honored to serve as Chair of Fortera Credit Union's Supervisory Committee. The Committee consists of member volunteers responsible for reviewing operations to ensure compliance with government regulation, Board of Directors' policy, and management established procedure, as well as the consistent application of sound accounting principles and prudent internal controls. Because the Committee is comprised of member volunteers with differing degrees of knowledge and experience relative to financial, accounting, and operational control practices, we rely on two principal methods to satisfy our obligation to the membership.

First, we employ and supervise an internal audit staff. It is their job to conduct ongoing reviews and report to the Board of Directors and Management, through the Committee, the results of audits conducted throughout the year. The Committee routinely meets with the Internal Auditor to discuss his department's findings and related recommendations as documented in the monthly Board of Directors' report. I am pleased to report that none of the reviews conducted this past year revealed any significant issues or substantial control weaknesses.

As an added measure, the Committee engaged a Certified Public Accounting firm to conduct an independent, annual external audit of the Credit Union's financial statements and accompanying accounting practices. In March 2022, Nearman, Maynard, and Vallez, CPA's, completed their engagement utilizing generally accepted auditing standards. It was their stated and documented opinion that the Credit Union's financial statements fairly represent the results of operations for the year ending December 31, 2021 as there were no associated negative findings communicated to the Supervisory Committee, Board of Directors, or Management.

Periodically, examiners from the National Credit Union Administration (NCUA), the federal agency responsible for credit union oversight, conduct a required regulatory review to confirm Fortera does not pose a heightened level of risk to the federal fund insuring member deposits. In the fall of last year, NCUA conducted an examination, and I am proud to report, the Credit Union achieved an outstanding rating indicative of the Board's, Management's, and the staff's commitment to providing members with exemplary service while, at the same time, assuring deposits are protected to the highest level possible.

In closing, thank you to my fellow Supervisory Committee members, Mr. Larry Carter, Mr. Richard Glass, and Ms. Sandra Stevenson, for their service. Also, the Committee applauds our Board of Directors, Executive Management, and remarkable staff in their efforts to provide uninterrupted, quality service to our members, while finding ways to adapt to and cope with the unique circumstances encountered these past few years. To our members, we appreciate your faith and patronage; we offer our assurance and resolute belief Fortera will be here to meet and exceed your financial needs and expectations, now and in the future.

Respectfully,

MARK E. BOONE, CHAIRMAN, SUPERVISORY COMMITTEE
FORTERA CREDIT UNION

The logo features the word "FORTERA" in a bold, dark blue, sans-serif font. The letters are arranged in a slight upward curve. The text is set against a white, semi-circular background that overlaps a teal-colored area. The overall design is modern and clean, with a focus on the brand name.



Rick Hackwell
Chairman

BOARD OF DIRECTORS

- Rick Hackwell, *Chairman*
- Linda Griffy, *Vice Chair*
- David Jones, *Secretary*
- Owen Schroeder, *Treasurer*
- James Embry, *Director*
- Richard Glass, *Director*
- Nellynn Henson, *Director*
- Edward H. "Happy" Higgins III, *Director*
- Leida Perez, *Director*
- Jordan Harmon, *Board Advisory Council Member*



Mark Boone
Chairman

SUPERVISORY COMMITTEE

- Mark Boone, *Chairman*
- Richard Glass
- Sandra Stevenson
- Larry Carter



Tom Kane
CEO

EXECUTIVE MANAGEMENT TEAM

- Tom Kane, *CEO*
- Jennifer Ventimiglia, *President*
- Kim Gamez, *CFO*
- Angela Andrews, *SVP Operations*
- Ginna Holleman, *SVP Marketing*
- Susan Peyret, *SVP Financial Planning & Analysis*
- Corey Watts, *SVP Technology*
- Matt Whalen, *SVP Lending*
- Terry Franklin, *VP Real Estate Lending*
- Jasmin Gammel, *VP Digital Strategy*
- Patty Hemmingsen, *VP Organizational & Business Development*
- Patricia Spencer, *VP Business Intelligence*
- Cliff Sweet, *VP Retail Operations*
- Steve Von Mann, *VP Real Estate Origination/CUSO*
- Sharon Ward-Hermes, *VP Human Resources*
- Tim Wheeler, *VP Consumer Lending*
- Ryan Windham, *VP Marketing*



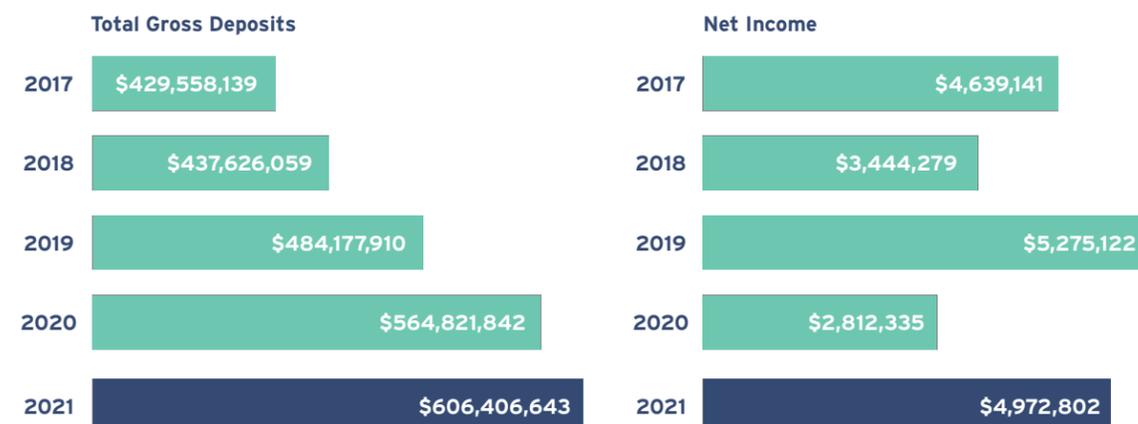
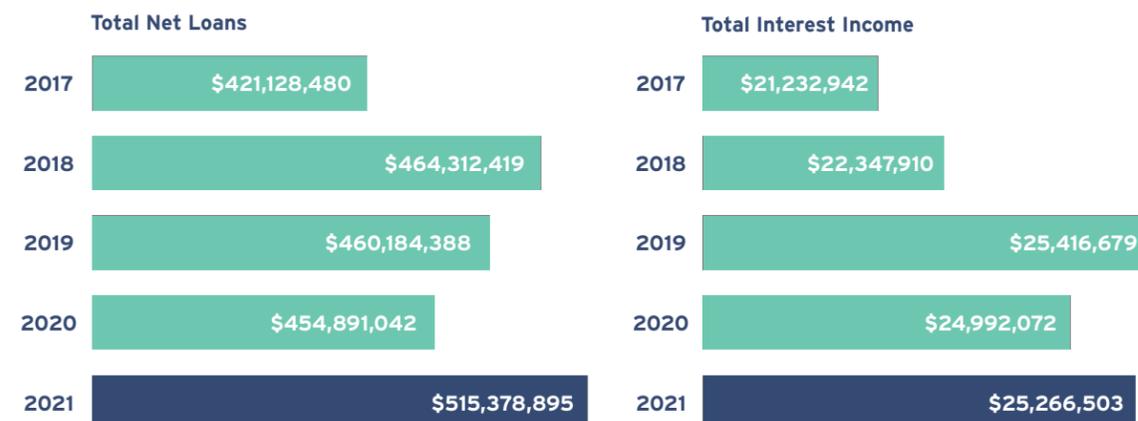
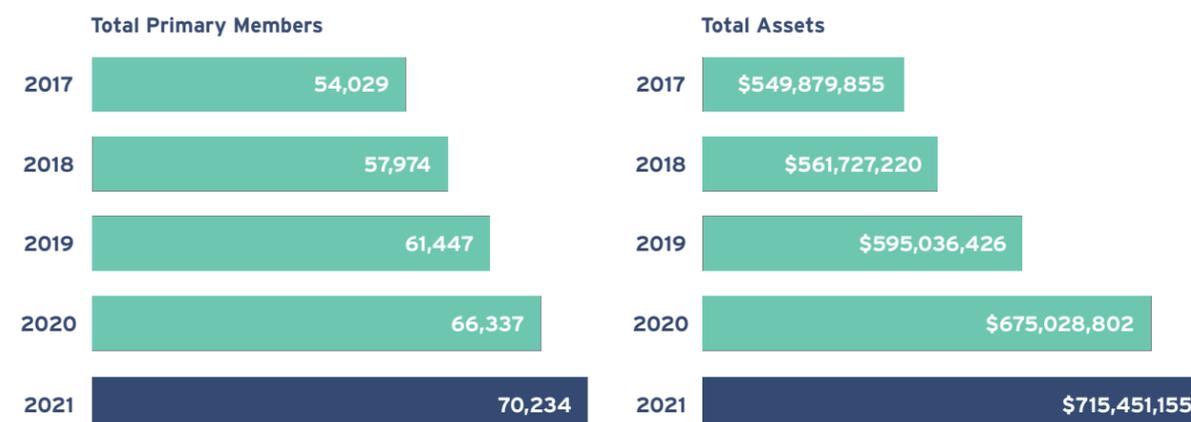
Jennifer Ventimiglia
President

FINANCIAL PERFORMANCE & FINANCIAL TRENDS

Fortera experienced another strong financial year, despite the ongoing pandemic. Our Net Income of \$4.97M for the year was accompanied by strong asset growth. As our number of members increased, our total assets ended at \$715M, a record high for the credit union. We experienced \$60M in loan growth, through both loan participation purchases and organic loan growth.

As interest rates decreased through 2021, we were able to benefit from low cost of funds. As a result, we passed along favorable loan rates and gave back to our community.

We remain strongly capitalized with a Net Worth Ratio of 13.03%. We continue to invest in our Lending teams as we grow our footprint through indirect lending opportunities and expansion of our geographic service area.



SIMPLY THE BEST

As a member-owned credit union, Fortera strives to offer fast, easy access with better service and rates; to always put our members' best interests first; to improve lives; and to be the best choice for a financial services partner. We're delighted that our community agrees.

In 2021, Fortera was honored to receive significant votes of confidence from our members and community as the recipient of four distinguished awards:

Best Credit Union | Rotary's Best of Clarksville

Best Bank | Credit Union | Leaf Chronicle Reader's Choice Awards

Best Credit Union in Montgomery County | Main Street Clarksville

Best Credit Union | Five Star Media Clarksville's Best

These recognitions represent Fortera's purposeful mission to serve as a force for financial good. Central to our core values is our commitment to make meaningful, life-changing impact in our members' financial lives and in the communities in we serve.

VOTED
Best
**CREDIT
UNION**
2021

4X

A FORCE FOR FINANCIAL GOOD

Helping create a bridge to an empowered future, the Fortera Foundation awarded fourteen \$4,000 scholarships to single-parent students at Austin Peay State University in 2021. Since its inception in 2020, the Fortera Bridge Scholarship Fund has provided \$100,000 in financial assistance to enable single parents to enter college, overcome challenges and graduate with a degree. Enabling students to achieve this goal not only improves the quality of life for their family but also inspires educational aspirations for their children. Through this partnership, the Foundation's ultimate aim is break the cycle of generational poverty.



Christaine Patton, 2021
Fortera Foundation
Bridge Scholarship
Recipient
& recent
graduate of
Austin Peay
State
University

"Going back to school with a daughter is challenging but rewarding. I really want to set an example for my daughter and show her that it doesn't matter what you go through in life."

Christaine Patton

Fortera makes considerable investments to support other educational and community initiatives. Your Credit Union and its team members contributed \$47,471 to United Way in 2021 and provided over \$200,000 in financial support to numerous local organizations and academic institutions. Fortera team members are regularly engaged in volunteer efforts and receive 40 hours of paid volunteer time annually in addition to their service at Fortera supported events.

Extending care to our disaster affected communities, Fortera and our members contributed a total of \$26,400 to assist flood and tornado victims in neighboring counties. These donations included Fortera's 100% match to member donations, reflecting the heartwarming generosity of our membership community. Joining hands to lift up those in need is the passion that inspires us each day. Along with our members, we are proud to uphold and fortify our *people helping people* mission together each day.

NEW TOOLS, PRODUCTS & SERVICES

Redesign of forteracu.com

With a refreshingly modern look, Fortera's new website was designed to be as welcoming as it is helpful. We like to think of it as our virtual front door. Launched in January 2021, we created an experience that gives users all of the money management tools needed, delivered right to their doorstep.

Online Account Opening & Loan Applications

Members are now able to open any of our accounts online or apply for a loan with the click of a button. Access has been placed conveniently on our website. A new loan application process was implemented to make the process quicker and easier than ever.

Video Calls

No matter where our members are, we can meet them face to face through video chat via laptop, tablet or smartphone.

Appointment Scheduling

Members can use our online appointment scheduling tool to schedule a time to speak with our team of experts about any topic of choice. They can schedule a meeting to speak in person, over the phone, via video call, etc., and we can help them find the answers they need.

Free Credit Score Check

Not only can our members check their credit score and report for free in their Online and Mobile Banking accounts, they can also use a variety of tools to improve and monitor their scores.

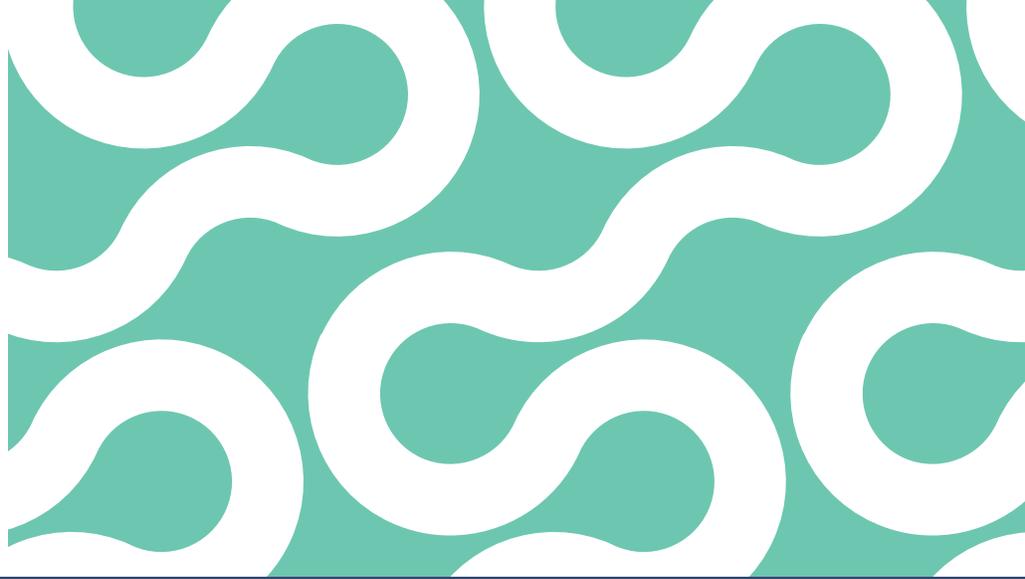
Rapid Refi

Our members spoke and we listened. They needed a home equity loan that builds credit, saves on interest, and most importantly, closes in 30 days or less. We answered with our new Rapid Refi product. Designed with members in mind, this has been one of our most popular products to date.

New ATMs

In 2021, we updated eleven of our ATMs. The new machines are user-friendly and feature a bright, contemporary new design.





BRANCH LOCATIONS

Clarksville

2050 Lowe's Drive
2193 Madison Street
500 Heritage Pointe Drive
145 Dover Crossing Road

Fort Campbell

Bldg. 88 Michigan Avenue

Hopkinsville

130 Griffin Bell Drive
300 Clinic Drive
3225 Lafayette Road

Nashville

Life Credit Union powered by Fortera

2004 Hayes Street
Suite 120
Midtown Medical Plaza

forteracu.com

